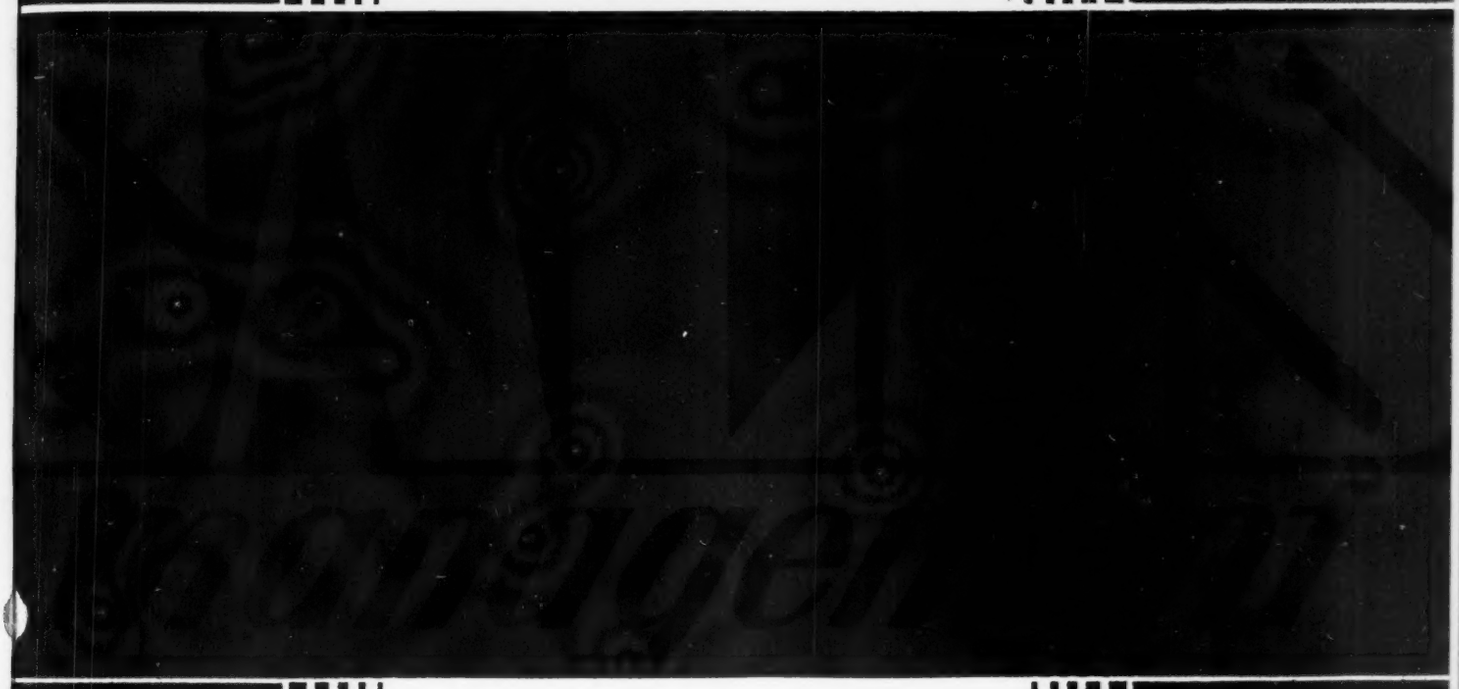
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MARCH 5, 1932

# The Weekly Magazine for MARKETING EXECUTIVES



## Why Upson Stuck to Quality in the Teeth of a Price Wind . . .

## Pricing to Sell the Department Store Market . . . . . .

## Designing to Sell . . .

TWENTY CENTS

# The Creation of a Good Idea . . .

and the manufacture of a good product brings satisfaction to user and producer alike.

We, too, take pleasure in expressing to Fruit Industries, Ltd., our appreciation for the opportunity to serve them so satisfactorily.

**FRUIT INDUSTRIES, LTD.**
A GROWER OWNED CO-OPERATIVE ORGANIZATION
MANUFACTURERS OF GRAPE PRODUCTS

SAN FRANCISCO 65-2ND ST. · LOS ANGELES 1248 PALMETTO ST. · CHICAGO 35 E. WACKER DRIVE · NEW YORK CITY 270 BROADWAY

MEMBERS
ITALIAN VINEYARD CO. "GUASTI"
GARRETT & CO. INC. "VIRGINIA DARE"
CALIFORNIA WINE ASSOCIATION "CALWA"
COMMUNITY GRAPE CORP
COLONIAL GRAPE PRODUCTS CO "CORDOVA"
NATIONAL FRUIT PRODUCTS CO "NAFRUCO"
CALIFORNIA GRAPE PRODUCTS CO "CALIGRAPO"
ELBA LAND CO

ADDRESS REPLY TO NEW YORK

November 11, 1931.

Mr. N. J. Leigh, Vice President,
Einson-Freeman Company, Inc.,
Star & Borden Avenues,
Long Island City, New York.

My dear Mr. Leigh:

We want to express our appreciation for the very fine work on the Virginia Dare Wine Tonic Window Displays which have just been delivered. These two displays represent the fourth consecutive order Einson-Freeman Company, Inc., have had for Virginia Dare Wine Tonic Window Displays, the idea on each display being created by you. We have always been pleased with the work done for us by your firm, but these last two displays are the best we have ever had.

Having seen the original paintings, of course, we were wondering if the finished displays would be as good; and in this connection, would say that your reproductions are perfect.

The Director of Sales, Sales Manager and salesmen are all very much pleased with your work and we want you to know it.

With kindest regards, and wishing you and your firm much success, we are

Yours very truly,

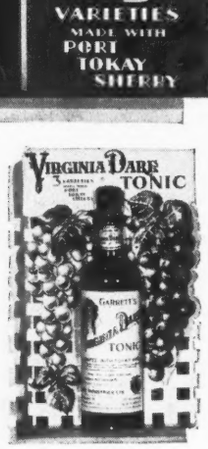
FRUIT INDUSTRIES, LTD.
By R. E. Wood
Assistant Secretary.

rem/b












Specializing in window and store display advertising

## EINSON-FREEMAN CO., INC.
LITHOGRAPHERS

OFFICES AND MANUFACTURING PLANT
STARR & BORDEN AVENUES, LONG ISLAND CITY, N. Y
NEW ENGLAND OFFICE - 302 PARK SQ. BLDG., BOSTON, MASS
WESTERN OFFICE - WRIGLEY BLDG., CHICAGO, ILL

Inventors and Manufacturers of the Einson-Freeman Patented Double Tier Container
Licensee for Canada . . . Somerville Paper Boxes, Ltd., London, Ontario, Canada

# The SEIBERLING TIRE ROUTE

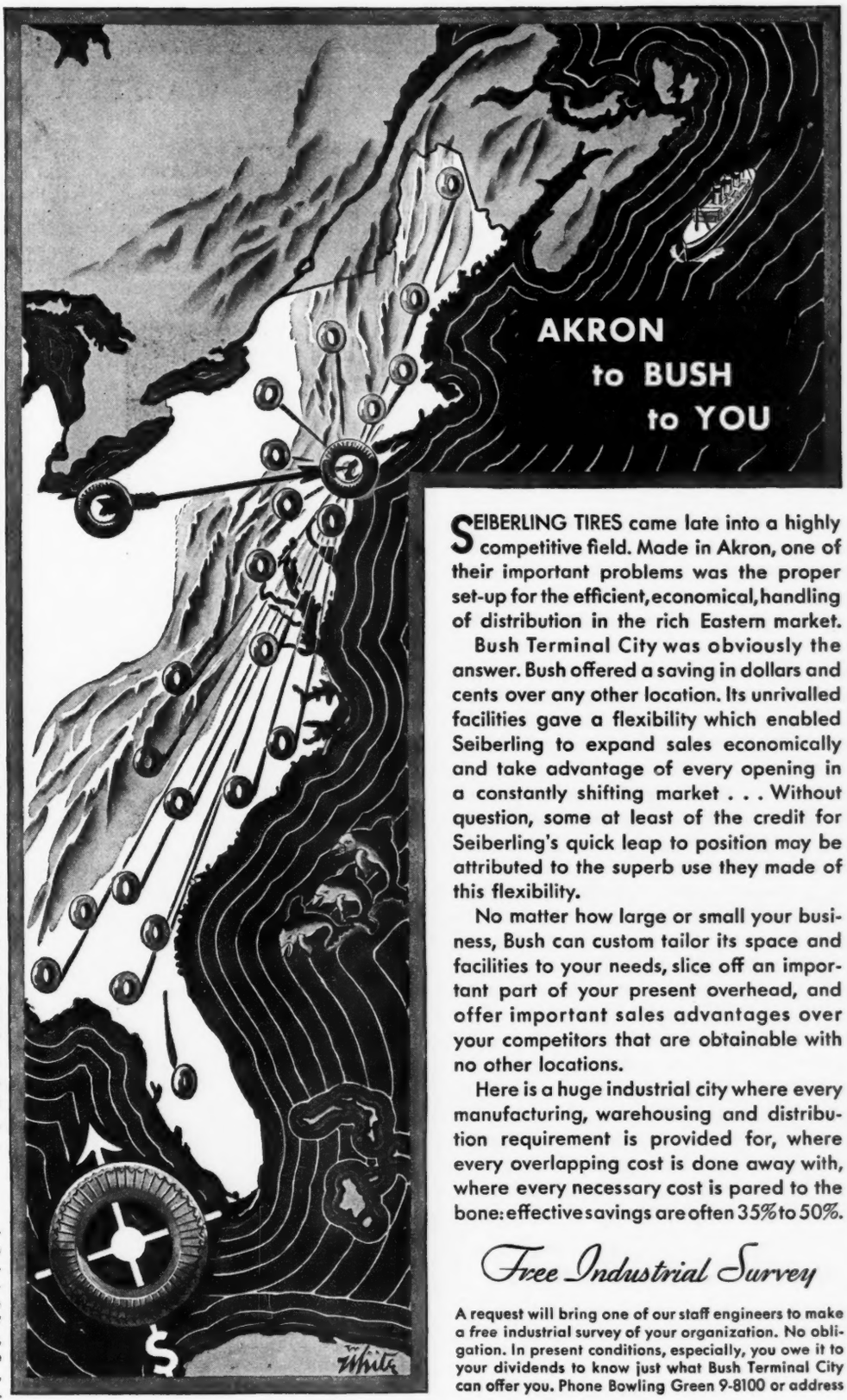
**Schedule of savings effected by a typical business which has recently moved to Bush Terminal City. This is an actual case.**

| | *At Previous Location* | *At Bush Terminal* |
|---|---|---|
| 64,564 sq.ft. on 6 floors; 30,000 sq.ft. in 4 floors, adjacent building | $37,825.60 | |
| 68,198 sq.ft. on 1 floor | | $44,328.70 |
| Heating | 2,390.92 | ——— |
| Engineers' salaries | 3,016.00 | ——— |
| Operating Elevators | 2,184.12 | ——— |
| Taxes | 9,590.00 | ——— |
| Refuse Removal | 216.00 | ——— |
| Insurance | 695.00 | 345.00 |
| Insurance on Building | 130.00 | ——— |
| Trucking & Maintenance charges | 14,500.00 | ——— |
| Grand Total | $70,547.64 | $44,673.70 |
| **YEARLY SAVING . . .** | | **$25,873.94** |

Bush Terminal offers eight gigantic piers for ocean and coastwise steamships; concrete and steel fireproof buildings, 100% sprinkled; power, light and steam at lower costs; no cartage costs for moving rail freight into or out of terminal (package or carload); connections with other coastwise steamship lines, eliminating all or part of trucking charges to piers; stations of all consolidated car companies; plentiful labor; 5,000 to 100,000 square feet on one floor, reducing space and supervision costs by 35%; insurance rate as low as 8¢ per hundred; service by every trunk-line railroad entering New York — sidings at every door.

●

Among the well known products manufactured, warehoused at or distributed from Bush Terminal City are: Lucky Strike Cigarettes, Chesterfield Cigarettes, Raleigh Cigarettes, Del Monte Coffee, Beech-Nut Coffee and Confections, Hills Bros. Coffee, S & W Coffee, Pepsodent, General Motors Export, DuPont Paints, Burgess Batteries, 20 Mule Team Borax, Libby Olives, Frigidaires, A & P Teas and Spices, and many others.




SEIBERLING TIRES came late into a highly competitive field. Made in Akron, one of their important problems was the proper set-up for the efficient, economical, handling of distribution in the rich Eastern market.

Bush Terminal City was obviously the answer. Bush offered a saving in dollars and cents over any other location. Its unrivalled facilities gave a flexibility which enabled Seiberling to expand sales economically and take advantage of every opening in a constantly shifting market . . . Without question, some at least of the credit for Seiberling's quick leap to position may be attributed to the superb use they made of this flexibility.

No matter how large or small your business, Bush can custom tailor its space and facilities to your needs, slice off an important part of your present overhead, and offer important sales advantages over your competitors that are obtainable with no other locations.

Here is a huge industrial city where every manufacturing, warehousing and distribution requirement is provided for, where every overlapping cost is done away with, where every necessary cost is pared to the bone: effective savings are often 35% to 50%.

*Free Industrial Survey*

A request will bring one of our staff engineers to make a free industrial survey of your organization. No obligation. In present conditions, especially, you owe it to your dividends to know just what Bush Terminal City can offer you. Phone Bowling Green 9-8100 or address

# BUSH TERMINAL CITY

Owned and Operated by BUSH TERMINAL COMPANY
Cooperating with the nation's foremost manufacturers

**Executive Offices: 100 Broad St., Dept. G, New York**
FOREIGN DISTRIBUTION—BUSH SERVICE CORPORATION

*Published every Saturday and copyrighted by* SALES MANAGEMENT, INC., *420 Lexington Ave., New York, N. Y. Subscription price $4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Volume XXIX, No. 10.*

eight years of leadership must be earned

Any advertising medium, to maintain the pinnacle position of advertising volume for so long a period, must be able to deliver to its advertisers results—repeatedly, consistently. For eight consecutive years the NEWARK EVENING NEWS has led the country's six-day media in classified and automobile linage. No truer barometer of reader interest can be furnished than the classified record—no better proof of wealth, buying power and responsiveness than the automobile record. In Essex County, mainly Metropolitan Newark, there are 23.1 cars to every 100 people, and 48.7% of them cost over $1,000. The Newark Market is the logical place to develop sales—the only medium necessary is the

Newark Evening News

EUGENE W. FARRELL
Business & Advertising Mgr.
215-221 Market Street
Newark, New Jersey
O'MARA & ORMSBEE
General Representatives
New York, Chicago, Detroit,
Los Angeles, San Francisco

# Survey of Surveys

BY WALTER MANN

## "Average" Appleton

"With no slums and no Peacock Alley, it (Appleton, Wisconsin) fairly represents the U. S. market without the extremes which unbalance the income distribution of many another city. In all important aspects, Appleton is, statistically and geographically, as close as anyone could come to a normal city."



*Pirie MacDonald*
***Walter Mann***

Thus auspiciously introduced by *Time,* the little city of Appleton, Wisconsin (25,267), unconsciously steps forward in the role of the average American city—that stock dream of statisticians, sales analysts and market research men, for, lo, these many moons!

S.O.S. hastens to salute *Time* for its courage in making a forthright stand on so controversial a subject as "What is the normal American city?" For—as many a research man has found out—there is actually no such thing as the average or normal American city. It will be noted that *Time* itself does not in any way claim that it *is* a normal city—merely that it is as close as anyone could come to a normal city.

Appleton makes its aforementioned bow in the first volume of "Markets by Income—How Do People in the Different Income Brackets Spend Their Money?"—a study which *Time* describes as "an intensive and exact study of buying performance." The survey is intended to furnish to the advertiser "the first yardstick with which he can measure the cash value of markets according to income classes."

*Time,* rationalizing, points to Appleton as average in many ways. It is, *Time* says, removed from the crowded east, the unrepresentative south, the too remote west, etc. But can an arbitrary selection of this kind actually be called typical of the United States? S.O.S. sorely fears that buying habits vary so widely with geographic, racial and urban differences, in America, that Appleton's buying habits are typical only of small cities roughly corresponding to it in size, location and general characteristics. Some years ago, the Curtis Publishing Company found this out ruefully, when the advertising profession refused by and large to admit that Watertown, New York (38,205) was typical of the United States. This, however, takes little from what S.O.S. sees to be the real value of *Time's* study.

One big plus for Appleton is the fact that the investigators, due to Wisconsin's liberal income tax laws, had access to actual state income tax reports. Another big plus is the care with which the work in Appleton was apparently done.

The income information was correlated with records of a million and a half retail purchases. The data on purchases came from (a) consumer interviews calling for answers to 151 questions; from (we mean it!) (b) "an inventory of bathrooms" secured by adroit bathroom snooping; from (c) the records of retail dealers; from (d) city real estate records, etc., and could thus make a study of markets by incomes for Appleton, Wisconsin, that has never been (in S.O.S.'s opinion) duplicated.

The results of the survey are presented in a series of clear, graphic tables supported by bar charts, and the material is ably classified by types of commodities, which are in turn broken down into price classes and other groups of ownership (or recent purchases) or use by each of certain income groups.

This information answers for Appleton such questions as "How do people in the different income brackets spend their money? How do people with incomes of $2,000 or $3,000 or $5,000 or $6,000 vary as prospects for coffee, soap, refrigerators, automobiles? How many people in each income groups are replacing old radio sets?" etc., etc.

The survey investigated 1,099 families from among over 6,000 in Appleton's population of 25,267. These families were divided as follows:

431 out of 4,444 families with incomes under $2,000
196 out of 978 families with incomes between $2,000 and $3,000
231 out of 438 families with incomes of $3,000 to $5,000
154 out of 220 families with incomes of $5,000 to $10,000
87 out of 119 families with incomes of $10,000 and over.

The major commodity divisions of the first section of the study described herewith are: automobiles, automatic refrigerators, housing, electrical appliances, sporting goods, groceries, bathroom inventory (toilet preparations, razors, etc.), and travel.

Whatever else it may or may not do, this handsomely printed and well-bound volume certainly gives an amazingly clear picture of the buying habits of an interesting American community. The second volume of "Markets by Income," containing similar data on dry goods, furniture, jewelry, etc., has not yet been distributed. It will, we hope, be sent to this column for subsequent review.

S. O. S. being a crabber of sorts on the subject of proof vs. assumption, always froths a little at the mouth when important statements are unsubstantiated in print. And froths a little unnecessarily perhaps in that *Time* has nowhere in this excellent study claimed it to be typical. All that is claimed is that certain relative conditions as to purchasing ability will prevail regardless of the size of the city used. In which case S. O. S. is just an old meany cutting up didos in the limited purlieus of his column.

Despite all captious criticism don't miss this study. It deserves your careful application to your particular sales problem in case your product is listed in the two volumes above described.

## What's New

¶ It takes a great deal of courage to stick steadfastly to a policy of selling quality during the greatest era of price competition in American distribution history. But that is what the Upson Company did—with the result that they made more profit on less sales volume in 1931, and even declared an extra dividend. Page 354.

¶ The department store market is a gold mine for the company that can sell it. The 4,924 stores doing a volume of $100,000 or more a year did a volume, in 1929, of $4,320,628,222, according to the Retail Census of Distribution. This week we present the second of a group of articles on how to sell this market. "Pricing to Sell the Department Store Market." Page 356.

¶ Did you like the special supplement, "Managing Salesmen in 1932"? If you want more reports of this nature, on special subjects, please write and tell the editors.


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# Sales Management


Vol. XXIX. No. 10 March 5, 1932


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# The Postman Whistles

## To the Fraternity

Our Association has a copyrighted chart that our members have found very useful. It is entitled "The Salesman's Arch of Success." We make a practice of giving one of these framed charts to every new member who joins our group. They are prized very highly and many of our members have found them very effective as constant reminders to the men on their sales forces. We will be glad to send a copy to any other sales managers' association that would care to have one.—*Reuben W. Ohman, Secretary, Minneapolis Association of Sales Managers, Minneapolis, Minnesota.*

(New York, St. Louis, Rochester—and others—do you want one? If so, write direct to SALES MANAGEMENT, and your request will be forwarded.—THE EDITORS.)

## Lo! the Poor Salesman

Not so long ago you published articles by two executives on the affirmative and the negative side of the subject "Have Salesmen Gone Soft?" Apparently it raised quite a storm, judging from letters from subscribers which you published in later issues. None of these gentlemen, I notice, made any point of the tools which salesmen are given to work with.

Why is the poor salesman singled out for all the blame if sales are not up to the standards of other years? Is his working equipment as good? I will answer the question by telling of one case with which I am familiar. This company, in 1929, sold $10,000,000 worth of goods and spent approximately a tenth of that in its sales and advertising department, with $300,000 going to the salesmen in earnings and expenses, and $700,000 being invested in various forms of advertising. On a per man basis each salesman had the backing of $11,666 worth of advertising.

What is the picture today? The company has cut its sales force to forty-five and its advertising appropriation to $278,000. This figures out to $6,177 per man, or a decrease of 47 per cent. I could cite scores of similar cases.

To put it another way: Up to within the last year the salesmen of companies which advertised were sent out with a kit-bag of well-assorted and sharp-edged tools. It was the salesman's job to *use* these tools effectively; he wasn't supposed to *be* the tools himself. Now, in a host of organizations, he is sent out with only a hammer.

Far be it from me to try to decide whether or not a company should advertise or how much, but if a specific company ever was justified in advertising there is twice the need for it today, and the salesman is blamed unjustly when, in the face of far more difficult sales conditions than he has ever faced before, he is given *less* help in the way of advertising. Of course there are a few exceptions; but if you could compare the advertising records of a few years ago with today's, and also compare comparable figures for personal sales expense you would find that the salesman is being asked to carry a heavier share of the burden.

This isn't true of our own company. We have cut expenses, but our advertising expenditures *per salesman* are a trifle higher rather than lower. I don't mind your publishing this letter, if you care to do so, but as we are taking all the advertising medicine we can afford to take, I must ask you not to publish my name. I don't want to find the hallway cluttered with publisher's reps when I go to work tomorrow.

(We're sorry that Mr. X, as we will call him, forces us to delete his name, as the fact that his company's profits in 1931 were 7 per cent higher than in 1930 adds punch to his reasoning. He is the vice-president in charge of sales for a company which operates nationally and sells through resale channels.—THE EDITORS.)

## Split Credits Well Handled

The letter from G. D. Hutson, Rolls Racer Corporation, Ypsilanti, Michigan, in your issue of February 6, was read with much interest. The problem of distributing credit to salesmen for orders placed by a central buying office, but delivered to outlying territories, is one of frequent occurrence.

Salesmen, being human, naturally desire all possible credit and income from any sales with which they have the slightest connection. If a company is adroit enough to use this desire for an incentive, it will profit proportionately. The actual division of credit and income from sales which result from the efforts of several individuals is accepted much more readily if a decision as to credit is reached before the sale has been consummated. It has been found that a salesman will accept a division of 50-50 or 25-75 when the policy has been announced before actual dollars come into consideration. However, he will frequently argue if, after the sale, he is expected to give up $25 out of $100 to some other member of the sales force. Foresight and planning enter noticeably into this question of sales psychology.—*Lincoln Lothrop, Secretary and Director of Merchandising, Bigelow, Kent, Willard & Co., Inc., Boston, Massachusetts.*

(Thank you, Mr. Lothrop. We, too, know of many cases where this method for handling the problem of split credits is working admirably.—THE EDITORS.)

## Medicine for the Merchandiser

Congratulations on the fine way you have upheld the tonic tone of your contents.—*Robert Tinsman, President, Federal Advertising Agency, New York.*

(It cheers to know that efforts toward that end have found favor, Subscriber Tinsman! —THE EDITORS.)

## Ethics and Mr. Hill

You say in your editorial page of your January 9 issue: "It may be true, as some critics declare, that business would be more demoralized than it is if all the methods employed by Mr. Hill were followed generally. But as long as American Tobacco continues its successful career, such cavilings must be regarded as academic and of little value to those who have goods to sell."

If I understand the meaning of the word "cavil", it means to quibble. Do you call men quibblers who object to Mr. Hill's knocking of the whole candy industry and publishing paid testimonials in his advertising? I can hardly believe that a magazine doing the constructive work you are doing really sponsors the "get it at any cost" policy pursued by Mr. Hill. The one great cry in the business world today is against the unfair tactics which some manufacturers are using against their competitors, and certainly Mr. Hill stands at the head of the list as being one of the most ruthless in his treatment of competitors. It is high time, in my opinion, we had more editorials written in support of the manufacturer who strictly adheres to the job of selling his own product, making no comparisons with his competitors.

There are plenty of examples of businesses that are forging ahead today, pursuing straight, clean and inoffensive tactics in their selling and advertising, and I am sorry to see that you put Mr. Hill in the category of "constructive sales activity".—*Leon P. Dutch, Winthrop, Massachusetts.*

(Mr. Dutch takes his cue from the word "cavil" in our comment and gives no consideration to the word "academic" which is the more significant. We were calling attention to the remarkable selling job Mr. Hill has done. It has been criticized as being offensive to good taste and unfair. We agree that, at least in some aspects, Mr. Hill's tactics seem somewhat unsportsmanlike. But those tactics have been eminently successful and that, after all, is the practical purpose of sales promotion. If, in achieving the desired results, you do things that militate against standards of propriety or even may in the long run prove injurious to business as a whole, the violation of canons of decency or of business principles is academic in the sense that it is not immediately impractical, and the criticism in the right sense of the word is caviling. What Mr. Hill has done is not obviously and clearly wrong. Actually, his case is one that everyone is talking about because no two men agree on anything about it except that his campaigns have brought a great many extra dollars into his till.—THE EDITORS.)

## Encore! Encore!

We were very much concerned and interested in your article, "Keys to a Four Billion Dollar Market," appearing in the December 12 issue of SALES MANAGEMENT. We would like to see more comment in regard to department store selling in the near future. We feel that your article has considerable information for us because we are just breaking into the department store field.—*Emery C. Perry, C. A. Boyle & Company, Inc., Chicago.*

(Another article on selling to department stores appears this week.—THE EDITORS.)

## The Supplement Takes a Bow

I want to express my appreciation to you for the publication of the second section of your issue of February 27.

It is one of the most interesting numbers I have read in a long time and I am sure you will receive many expressions of thanks from your readers.—*R. W. Denman, Director of Advertising. Troy Laundry Machinery Company, Inc., New York City.*

(Do other readers want more special issues of this type, and if so, on what subjects?—THE EDITORS.)

# Significant Trends

*As seen by the editors of Sales Management for the week ending March 5, 1932:*

• • • Continued improvement is shown in the declining trend of bank failures. There were sixty-six suspensions in the week ending February 4; thirty-two in the week ending February 11; twenty-seven in the week ending February 18, and last week there were eight suspensions and six reopenings.

• • • Not since the boom days of 1918-1920 has there been such activity in buying farm lands, especially in Illinois, Indiana and Iowa. Less than one-half of the total farms in Illinois carry any mortgage debts. Farm debts over most of the middle west are showing a heavy decrease.

• • • Road salesmen report that retailers are very low on shoe stocks, and the shoe factories all over New England and in the St. Louis and Milwaukee districts are operating at practically full capacity.

• • • The Irving Fisher Index of Business Conditions jumped to 65.8 last week from the previous week's dismal showing of 62.5, and the Fisher All Commodity Index of Wholesale Prices remained unchanged at 63.7.

• • • The pictures of the fighting on the Sino-Japanese front show the aggressive promotion work of an American manufacturer of soft drinks. In the foreground of nearly every picture is a Coca Cola sign.

• • • The reduction in the discount rate of the Federal Reserve Bank of New York from 3.5 per cent to 3 per cent is fresh evidence of the government's determination to check further deflation and to supply the stimulus for business revival. With rediscounting encouraged by a lower rate, inducement is offered to the banks to adopt a more liberal credit policy.

• • • Corporate earnings reports issued since the first of the year, as compared with the corresponding period of last year, show 180 reporting increased earnings, as against 657 decreases.

• • • Public utilities operating in New York were prosperous in 1931. The New York Telephone Company earned $9.25 a share, as against $9.08 the previous year. The number of telephones in the company's territory, which comprises New York state and Greenwich, Connecticut, was reduced a fraction of 1 per cent. The Consolidated Gas Company, operating only in New York City, earned $4.94 a share, as against $5.06 in 1930. Sales of gas showed a decrease of 0.71 per cent. Electric energy sold increased 4.36 per cent, and steam sold for heating purposes showed an increase of 1.62 per cent.

• • • Net profits of 900 industrial corporations, as analyzed by the National City Bank, show a decline in 1931 of 53 per cent from 1930, and 72 per cent from 1929. Deficits were reported last year by four out of every ten companies. The net return on the combined capital and surplus of these 900 companies was 3.3 per cent, compared with 7.1 per cent in 1930, and 13.4 per cent in 1929. The thirty-eight steel and iron companies in the tabulation made the worst showing, their profits being off 99.9 per cent from the year before; twenty-one petroleum companies report net profits 97.9 per cent under the previous year. Three classifications show increased earnings—chain stores up 12.7 per cent, shoes up 11.8 per cent and tobacco up 2.4 per cent.

• • • According to the monthly review of the Federal Reserve Bank of New York, candy chain systems in January showed an increase in sales for the fourth consecutive month. Variety stores showed the smallest decline in sales since May, 1930, and ten-cent chains had the smallest reduction since October. On the other hand, declines in sales of grocery, drug and shoe chains were larger than in previous months. At the end of the month the value of stocks of merchandise on hand in reporting lines, including department stores and wholesale firms in addition to the chain systems mentioned above, continued considerably below the year previous, with the one exception of drugs.

• • • The Dow-Jones average of forty corporation bonds closed Tuesday at 79.96 and, with the exception of one Saturday half day on the exchange, was the thirteenth consecutive day of recovery.

• • • Copper last week reached an all-time low of five and three-quarters cents for domestic sales.

• • • The United Action drive to increase employment, sponsored by the Association of National Advertisers, American Federation of Labor, and the American Legion, has resulted in new jobs for 117,535 men in 153 communities during the first two weeks of the drive. Minnesota leads in placements with 15,350, followed by Wisconsin with 12,861, and New York with 10,286.

• • • Henry Ford has given his company a schedule calling for the production of 1,800,000 motor vehicles in 1932. If this schedule is realized it will mean a gain of more than 1,000,000 units for the Ford Company over 1931's showing of approximately 750,000.

• • • Air conditioning seems destined to play a big part in business recovery. The Santa Fe is the latest road to follow the lead taken by the Baltimore & Ohio, and the Pullman Company recalled 400 employees to its Chicago shops this week to take care of air conditioning work ordered done on diners and other passenger cars by a number of railroads.

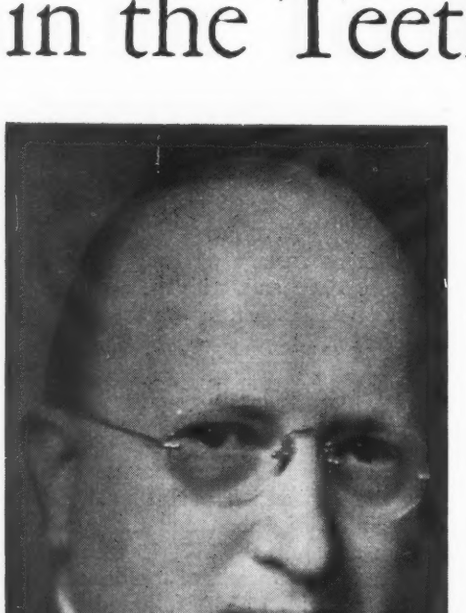
• • • The power of consistent advertising is demonstrated in the earnings reports of the cigarette companies. A single share of R. J. Reynolds stock purchased in 1913 would have cost $274, but it has now multiplied to ninety shares of common B stock worth $3,476—even at present depression prices—and ten shares of regular common stock worth $670, or a total of $4,146.

• • • January railroad earnings reports show that what the railroads require is traffic. Net operating income of the first seventy-three roads to report declined 67.5 per cent. The 10 per cent wage reduction will begin to show its influence in the returns for February.

Five Things We Did:

1. We emphasized quality rather than price.
2. We cooperated with dealers on their problems.
3. We hammered on the necessity for profit.
4. We urged dealers to do outside selling.
5. We developed new uses through research.

# Why We Stuck to Quality in the Teeth of a Price Wind



*W. Harrison Upson, Jr.*

The Upson Company came through 1931 with slightly less volume, but with more profit. On Dec. 31 they declared an extra dividend. There was no reduction in the number of employes, no wage cuts were made, and prices of their products were maintained. The sales policies responsible for this record are described here.

BY W. HARRISON UPSON, JR.
*Secretary-Treasurer, The Upson Company, Lockport, New York*

WHEN you feel that you can no longer carry on business at a profit and the next best step is concealed by a haze of problems, it's the right time to hark back to the reasons for being in business and to reformulate principles of sound manufacturing and good merchandising. If you do that you run a good chance of avoiding the pitfalls which lie in the way of hastily considered acts.

If there is any one single thing which enabled us to turn 1931 into a better year than 1930, even though business conditions were far worse, it was this reformulating of principles. It renewed our faith in the knowledge that adverse economic conditions do not justify abandoning sound practice. We tried a lot of new things but we refrained from doing a lot of things that our competitors did to their misfortune. We continued to strengthen our relationship with the trade and the consuming public and all our efforts were kept in line with three basic policies. These were:

To emphasize quality rather than price;

To give maximum attention to the needs and wants of both dealer and consumer;

To plan carefully and use research before taking action.

When we requested members of our organization to keep price out of their conversation with the trade and consumer we had good reason back of it. The only justification for talking price was to meet price competition with the same weapon, and that was not valid. There were more reasons for forgetting price. The raw materials we use had not dropped in price; such improvement in quality of product as we could make had been put in the product and all manufacturing economies had gone to that end. Why sell a better product for less money simply because sales are slower?

We believe that the dealer and consumer are both more interested in quality than in price. The dealer wants quality provided he can make a profit on resale, and the public is willing to pay for trustworthy material if assured of getting it. Sales emphasis, forceful advertising and acts of demonstration can be used to establish in the buyer of your product the feeling that he makes no mistake.

In order to make the dealer realize his interest in quality, and to prove the secondary importance of price, we had a chart made to show the fundamental factors in buying. It was so successful that I shall describe it in detail. The factors listed in the order of their importance were: market possibilities, profit possibilities, quality, reputation of manufacturer, and price. Dealers were shown that they could evaluate competing products. Not only that, but other products beside wall board could be charted so that sound purchases could be made. It was our belief that careful consideration of the first four items must lead to the

## Five Things We Did Not Do:

¶ 1. We did not get into competitive price fights.
¶ 2. We did not talk depression and spread gloom.
¶ 3. We did not overload our dealers.
¶ 4. We did not run up costs in special drives.
¶ 5. We did not cut wages, but cut overhead instead.

conclusion that price is the least important factor in buying. It did.

It has always been our contention that the dealer must make money if the manufacturer is to prosper. Price-cutting has a demoralizing influence on both dealer and consumer. It causes the trade severe losses which ultimately affect the manufacturer. Dealers want and need security, and that's a manufacturer's responsibility. Our attitude is perhaps best expressed in the following item which every one of our dealers received:

"Many manufacturers and some dealers have gone 'price-crazy' in these turbulent times. A form of craziness that is costing more 'red-ink' failures than almost any other reaction of the times. . . . From our contact with Upson dealers . . . hundreds of successful dealers . . . all over the land . . . we have come to believe that a standardized price for a standardized quality assures and insures a standardized profit . . . when that standardized quality has been backed by persistent national advertising to create new markets as well as consumer acceptance for the product."

Closer work with the dealer to make him a more intelligent merchandiser was a feature of company policy last year. This is instanced by the following:

There was a well-planned campaign to give specific suggestions as to ways of getting business. We were in the vanguard in pointing out that it was reconstruction and renovations rather than new construction that the dealer should go after. We told how to go after the contractor, how to sell him on the idea of getting business and of using wall board wherever possible.

Another activity was to point out the fallacy of "price" buying. It was obvious that the surface appeal of price was strong and needed some corrective influence. We showed the dealer why he should concentrate on profitable lines and buy with an eye to quick resale.

Many retailers are "chair warmers"; that is, they are satisfied to figure bills for lumber and wait for business to come to them. We encouraged personal selling, knowing that there was much business to be had if the dealer would only go out and get it. We tried, in short, to overcome the prevailing sentiment, "There ain't no business, so why try to get it?"

Of the things we didn't do there are three which might well be mentioned here. We didn't do the dealer's selling for him. Double-selling doesn't make strong retailers; it runs up sales costs and ultimately puts everybody out of business. We didn't increase the number of our dealers. Multiplying outlets in poor times reduces the dealer's chance of making a profit. We didn't attempt unduly to force stocks on our distributors. Following a plan effected three years ago, we invited dealers at the beginning of the year to submit a quota for the twelve ensuing months. The quota did not bind purchase for a definite number of square feet; it simply set a goal. The dealers profited by it, for 70 per cent of those that voluntarily set a quota increased their sales and passed their quotas.

For many years we have endeavored to weigh our sales policies in the light of the dealer's needs. We solicit criticism from the trade every year and we act upon it whenever advisable. Our retailers are given great latitude in handling complaints and to all intents and purposes act as company adjusters backed by our belief that the consumer is always right. Our salesmen are instructed to do each dealer one good turn or give him one good suggestion on every visit.

Our men, for example, showed dealers how to store in the best way to save cost of handling. When necessary—when the force of competition had misled the dealer to sell too cheaply—we showed him how to reprice his line to get out of the red. Many times our representatives were able to point out ways of cutting overhead. They suggested ways of collecting overdue accounts, even to the writing of letters. And, too, they frequently helped the dealer to keep solvent by showing him how to get some business quickly—to get repair work and small but profitable jobs.

In some respects the policies which made the company profit in 1931 are not new. Dealer prosperity has always been a cardinal principle of our operations and last year simply saw a further building upon a sound foundation. There were no drives for business, no overloading of the trade, no revamping of our sales policies or production programs such as might be expected in time of stress. We endeavored to avoid unsound practice which might increase sales and advertising costs. We sidestepped any radical changes that might carry risk to the legitimate dealer. Rather than add men to the sales force, thereby high-pressuring dealers, the same staff was used and coached to work more effectively.

One way in which profitable business has been obtained in large volume came from finding new uses for the product. We called upon our entire organization and made what amounted to an organization survey of the industrial field. The sales organization obtained from dealers lists of all known uses to which the product was being put and this resulted in uncovering a number of new markets.

It was found, for example, that some department stores had been using Upson board for display and cutout backgrounds. This led to cultivation of the entire department store field and considerable new business was developed. The same thing was true of motion picture theatres where the boards were being used for display purposes. In every case where a new use was discovered, the sales organization was advised and all dealers were urged to go after the new business.

This search for and cultivation of ideas formed a very important part of our entire program last year and it will be emphasized this year. There are everywhere new and practical ideas which can be utilized by our business and we are looking for them from every source. Trade papers are thoroughly scanned for ideas that can be adapted to our use and we find these papers do not have to be in allied fields to be helpful.

The members of our organization are great believers in planning and research. It has enabled us to avoid

(*Continued on page* 373)

# Pricing to Sell the Department Store Market

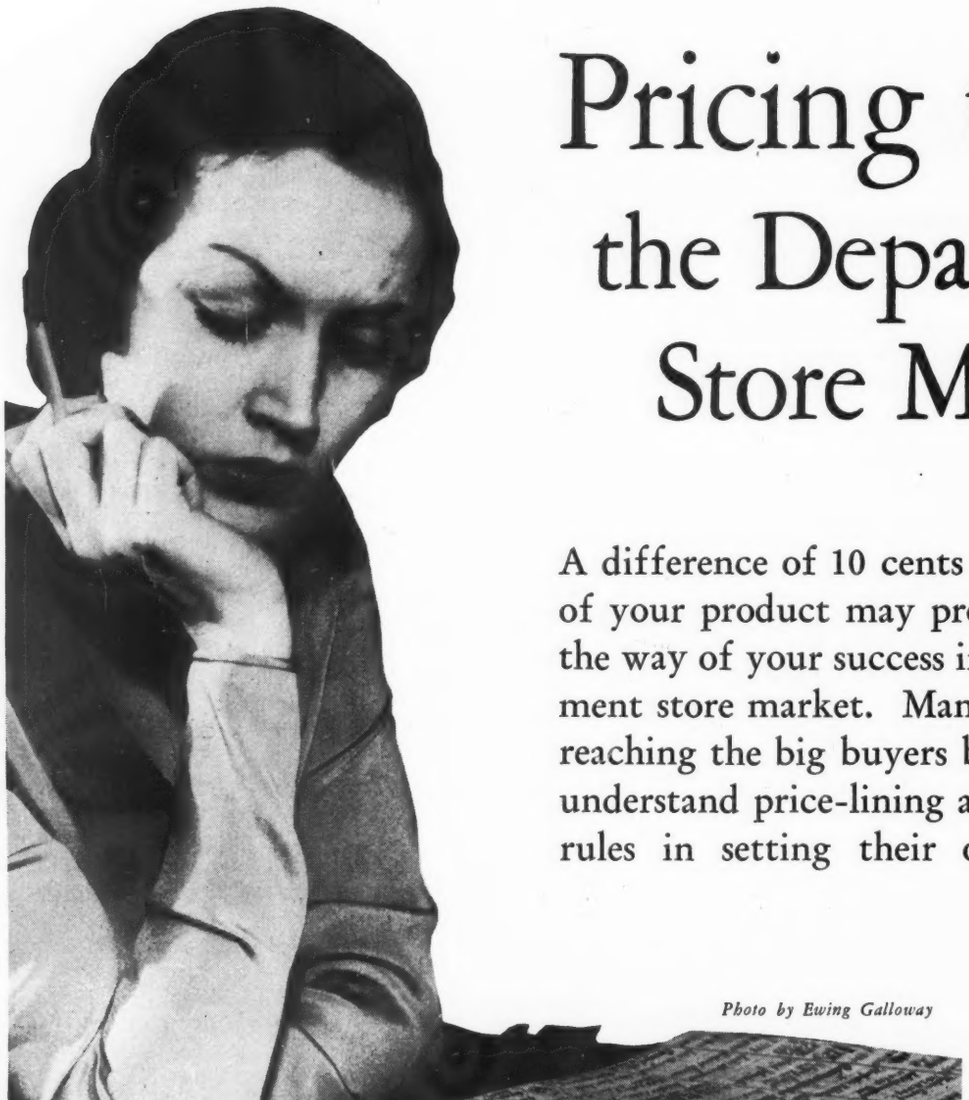


*Photo by Ewing Galloway*

**A difference of 10 cents on the selling price of your product may prove a big barrier in the way of your success in selling the department store market. Many companies fail in reaching the big buyers because they do not understand price-lining and observe its basic rules in setting their own price policies.**

**¶ Before you price your line, take a look at Mrs. Consumer's budget. Your price should not be based arbitrarily upon your manufacturing costs, but should be set in line with what she is willing to pay at the moment.**

(Readers who did not see the first article in this series, "Keys to a Four Billion Dollar Market," are referred to the December 11 issue of SALES MANAGEMENT. In this article were details of the whole general setup of present-day department store organization, facts about group-buying activities, and explanations of the trend toward buying in New York.)

THE proper pricing of a line which a company wants to sell to the department store market has far more bearing on the success of the product in that market than most manufacturers realize. As we pointed out in the first article in this series, the department store field is somewhat of a law unto itself as a market. A manufacturer who is not thoroughly acquainted with the changes which have taken place in this field in recent years—particularly the tendency toward group buying and central organization—cannot hope to succeed in opening and developing the market to its full potentialities.

The major groups invest large sums in consumer research, in the gathering and dissemination of style information, and in the study of buying trends. It is safe to say they are in a better position to judge what Mrs. Consumer wants today, and what she will pay for what she wants, than any other classification of retailers. One big group, for example, spends approximately $250,000 annually in such research, and has the facilities of an outstanding store in every big city through which to carry out this research program. Their purchasing is governed by the information uncovered in this way. It is thus, through research and through daily analysis of sales, that the big groups set up specifications for the purchase of stocks—so much merchandise, at such color and style specifications, at such and such prices.

This brings us to the very simple explanation as to why some manufacturers, offering a line that may have enjoyed quite a heavy demand from small retailers and specialty stores, sometimes come to a hopeless impasse

with the big group buyers. Suppose the item is women's hosiery. Suppose the current demand and competitive retail prices in the various markets indicate that the best selling numbers are priced at $1, $1.35, $1.50, and $1.95.

Now suppose Mr. Blank, of the Blank Hosiery Mills, is seeking to introduce his most successful item—a mesh hose selling, at wholesale, for $13.00 a dozen. This hose has met with unusual favor among the specialty stores and other medium size and smaller outlets. There is apparently no reason why, with this proof of popularity, it shouldn't be received with enthusiasm by the leading big group buyers. Furthermore, Mr. Blank is fortified with a statement from the United States Testing Company showing conclusively that this is the best hose they have tested in this price range.

Mr. Blank calls upon the central hosiery buyer of a certain big group. He offers what he knows to be the best value in the country at $13.00, with the special inducement of a 5 per cent discount for a large contract for national distribution. Much to his surprise, his offer proves to be of no interest to the buyer.

If the central buyer does not happen to be busy at the time, and is of a genial nature, he may take the trouble to tell Mr. Blank why he has failed in his mission. If it is the middle of a busy morning, and six other hosiery manufacturers are waiting to get in, Mr. Blank may depart in a state of complete mystification, damning the system, the setup and the buyer. He more than likely concludes that some special political pull, some "inside", is necessary to get the business of that group. He still honestly feels he has a product which is an outstanding value at its regular price, not to mention the price quoted for quantity purchase.

Why did he fail? What should he have done? First, he should have visited the hosiery departments of the store members of this group nearest to him and purchased the best selling numbers. He would then have discovered that the featured lines were priced at $1.35 and $1.50, and then jumped to $1.95. He might have realized that it would have been impossible for any of these stores to have sold his outstanding number for less than $1.65. *His price was wrong for the current market.* It did not fit into the price lines being promoted at that time.

Notwithstanding the fact that this is indicative of the trend, there are still some instances where the retailer makes an exception to his standard practice of price lines, and features a nationally advertised brand which is in wide popular demand in his community. For example, Phoenix, Van Raalte, and Gold Stripe have successfully built departments within a large hosiery department and the price lines are those of the standard Phoenix or Van Raalte or Gold Stripe line. It is quite possible for a manufacturer of this type to get a working arrangement with a whole group of stores, and quite frequently this national tie-up through all the outlets of a retail group, accompanied by local newspaper advertising, is the result of the efforts of an intelligent advertising agency that has kept pace with modern trends in retailing.

Contrary to the situation in many other markets, retail selling prices are seldom discussed by department store group buyers when transactions are made with manufacturers. The reasons for this are too complicated to explain in this article; suffice it to say that they go back to basic policies in group store administration, and are intricately interwoven with matters of competitive strategy, prestige selling events, pricing to take advantage of general trends in raw materials markets, etc. Since this is true, it is all the more necessary for a manufacturer to discover, before he approaches group buyers, the exact price situation on goods in his line.

**The second of a group of articles on selling to department stores**

*BY*

A. R. HAHN

*Managing Editor,*
SALES MANAGEMENT

Until the advent of the chain systems, retailing organizations were fairly limited in scope and financial power. This is no longer true. Through the group type of organization, the department stores now surpass in breadth of influence and power most of the manufacturing organizations that serve them. One group alone, The Retail Research Association, handles a volume of approximately $400,000,000 a year. This exceeds by approximately $25,000,000 the volume of the National Dairy Products Corporation, the largest single manufacturing factor in the food industry outside of the giant meat packers. It is three-fifths again as large as the volume of American Tobacco. It is approximately ten times the volume of Coca-Cola. It more than trebles the annual volume of General Foods, and more than doubles the volume of Goodyear, biggest of the tire concerns.

The point to be emphasized is that, in dealing with the department store groups, a seller is dealing, in reality, with a tremendously large and powerful body of consumers scattered the country over. These groups are accustomed to talking in carload lots, and in millions of dollars in any one industry, just as are Penny, Woolworth, and other so-called "legitimate" chains. The reaction experienced by the Blank Manufacturing Company was not, in any sense, based upon a casual whim of the buyer, but sprang, in reality, from a plan and a scientific system of management and administration which these big groups are developing. Because there is a definite logic behind such group purchasing, no manufacturer who wants to reach the field can afford to neglect study of the various policies which bear directly upon purchasing activities. Of these, as we have said, proper pricing to answer current market needs is one of the most important.

How did the practice of "price lining" develop, and why? The answer is that this policy was developed to meet a situation which, ten years ago, constituted one of the most aggravating problems department store executives had to face. Let me tell you of the advent of price-lining in the luggage field. This incident is typical of what happened in dozens of other retail departments.

About ten years ago one of the principal groups observed that none of its member stores was making any money in luggage. They set out to find the reason. Two eastern cities were chosen for the initial survey. Luggage departments in two big stores in these centers were analyzed.

The investigator was amazed to discover the extent of the heterogeneity of prices on the various items, together with the unnecessarily large number of manufacturers supplying the stocks for such a limited volume of business. For example, suitcases were found in one store at $8.95, $9.25, $9.49, $9.50, $9.69, $9.75, etc. This condition was fairly uniform throughout the entire stock. Although even at that time independent successful luggage businesses were operating with merchandise supplied by a dozen or less manufacturers, this store was purchasing from nearly one hundred sources. The buyer had sought to scatter his orders with the idea of maintaining good-will with all

(*Continued on page* 364)

# Designing to Sell

[Subscribers are invited to consult with the Editors of SALES MANAGEMENT on their own design problems, sources of design information and styling services.—THE EDITORS.]

*Edited by*

R. S. McFADDEN

THERE are undoubtedly, throughout the country, tens of thousands of manufacturers who are convinced of the desirability of undertaking a re-design program, but are postponing action against a more propitious moment. The reasons run from caution to cost. "Sitting tight" seems to be the order of the day.

And still we are constantly running into stories of spectacular sales successes based on the enterprise of the more dauntless business spirits.

Such a one is the story of the results of the fashion activity of Follmer Clogg and Company, the world's oldest and largest manufacturers of umbrellas. As a matter of fact, f. c. sell more than a quarter of the 3,000,000 or more umbrellas bought in the United States each year. For forty years Follmer Clogg had been manufacturing and selling along lines traditional to their business. They made a utilitarian product—and sold it without benefit of advertising, on the basis of quality, workmanship, prestige of firm name.

There were, however, certain growing, uncontrollable factors mitigating against their progress in merchandising their product on a strictly utilitarian basis. One of these was the growth of the motor industry, and especially that of the increasing availability of taxis. These influences conspired to make the umbrella less of a necessity than it once had been. With utilitarian value becoming less and less of a selling argument, therefore, advertising counsel was retained about two years ago; and the agency immediately set to work to develop other features to promote as sales points.

It was decided to build into the umbrella a style quality that would sell it as a fashion accessory, rather than as a utilitarian necessity. The step involved the maintenance of a fashion bureau devoted to studying trends in costume and accessory fashions, to designing umbrellas which would fit into and lend interest to the fashion picture, and to promoting fashion features of the new line.

On first consideration it might appear that the launching of such far-flung fashion activities would be a costly proposition. As it worked out, however, the introduction of fresh factors into an old business is actually cutting down production and merchandising costs. They also are resulting in selling the customer two umbrellas where they had formerly sold one. This is what happened:

The old method of selling the umbrella buyer a stock of their goods was that of laying before her an assortment of stock handles and frames from which she might select those which struck her fancy. Having chosen a number of handles she was interested in, the buyer turned to the samples of coverings which were put at her disposal.

From hundreds of such samples of silks, she would order umbrellas to be made up in various combinations of silks and handles; a half-dozen of such and such a handle, made up in as many colored silks. This system made it virtually a custom business. It became a job of assembling, and each order had to be handled separately. It is unnecessary to point out that a procedure of this kind makes operating costs run high.

Not only was it a method that was complicated and therefore expensive, but the result in merchandise depended entirely upon the taste of the buyer. The manufacturer had no control over the merit of her selection from the standpoint of taste. All he could control, and therefore sell, was quality and workmanship. The system cut him off from influencing the ultimate consumer, for the identity of his product was lost in a maze of nondescript combinations. It left both the manufacturer and the consumer at the mercy



***Before Follmer Clogg and Company applied intensive high-styling to their line, theirs was virtually a custom business. Buyers assembled silks and handles at their own free will. Coordination of handle and umbrella as typified by this number has changed their whole merchandising set-up. The arrow points to the f. c. "button of distinguished service."***

of the discretion of the buyer.

With the advent of Follmer Clogg's fashion promotion, however, all this was changed.

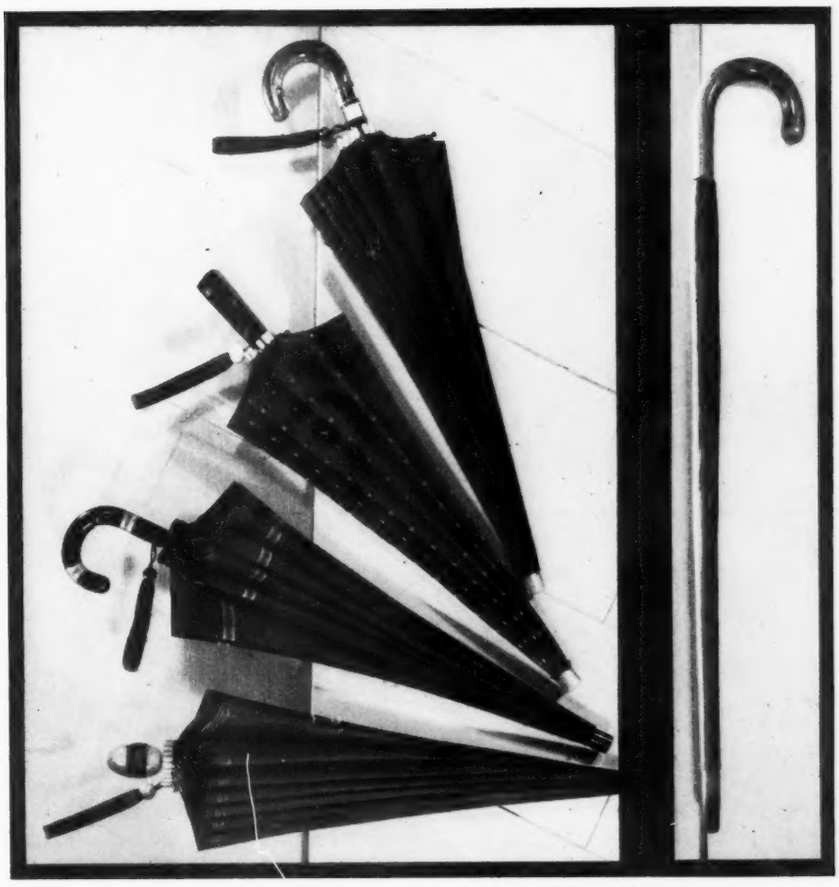
The personnel of the Follmer Clogg fashion bureau is made up of women who are familiar with both the manufacturer's and the consumer's point of view. And they know their style stuff. In the staff are women who, by virtue of previous connections with such concerns as *Harper's Bazaar, Good Housekeeping, Vogue,* H. & S. Pogue, Macy's, Mallinson's, Cheney Brothers, etc., had their roots in the merchandising and fashion world. The present Follmer Clogg line has the authoritative stamp of originators who know what's fashion-right, and what the public will buy.

Their first step in rebuilding the line was that of establishing the system of manufacturing individual, branded numbers. The practice of assembling silks and handles was abolished, and most of the umbrellas in the line are now designed as a unit, the handle and covering of each unit having a distinct relationship in design. The coordination of handles and coverings gives each umbrella a personality that lends itself to individual identification. The store buyers fell in readily with the plan of buying umbrellas according to trade-mark number. This last season they ordered in sizable quantity "Acorn Top"—for tailored wear; "Mayfair"—for dress wear; "Backgammon"—for sports; "Times Square"—for travel; "Follmer Motor" for the car.

Educating the public on the various uses of the umbrella is another development of the Follmer Clogg fashion bureau. Consumer advertising has emphasized the advantages of furnishing oneself with an "umbrella wardrobe" for various needs, as a complement to the dressy, the tailored, the sports, the travel or the motor costume.

Thus women are becoming self-conscious about carrying a tailored umbrella with an afternoon or evening ensemble—the result being that they are beginning to purchase several umbrellas of different types and colors rather than one for the exclusive purpose of keeping dry.

And the practice of manufacturing highly stylized, individual branded numbers has enabled Follmer Clogg to cut down to a great extent its stocks of silks and handles. So that here is a case where the intensive application of design principles revolutionized the manufacturing and merchandising methods of a concern to the end of appreciably lowering its operating costs.



***"The umbrella wardrobe" is another of Follmer Clogg's merchandising devices for inducing women to buy an umbrella as an accessory to each type of costume.***

But the benefits of styling did not stop at the manufacturing end of the business.

Heretofore the umbrella department even in the best-regulated department stores had been a stepchild in the business, its operation being relegated to some assistant in any one of a number of other departments, or to some youngster in the concern who was learning the business. With the metamorphosis of the umbrella from a haphazard ensemble of tips, top, silk and handle into a correctly styled fashion item, with assured salability backed by national advertising, the attitude of many of the outlets toward the umbrella department has changed markedly. Whereas it had been pushed only as a rainy-day sale item, it is now being merchandised as a fashion accessory, coordinated with and as important to the current ensemble as handbags, costume, jewelry, luggage, etc.

Bonwit Teller, in New York, for instance, had never had an umbrella department until the merchandise took on fashion importance. Since the models being offered are style-right, color-right, carefully thought out and fitting into the current mode, such stores as Saks Fifth Avenue feature them in every ensemble window display. They even show umbrellas as part of the ensemble scheme on hosiery, handbag, scarf and glove counters. Macy and Altman promote the umbrella department by special displays of costume accessories and luggage.

Some of this cooperation came spontaneously as the line took on fashion value. On the other hand, Follmer Clogg took a hand in promoting the proper merchandising of the line, by having the fashion bureau issue, at bi-monthly intervals, a bulletin called "Umbrellamode," distributed to buyers, stylists, sales training directors, magazine fashion editors, newspaper fashion syndicate writers and all persons in key merchandising positions.

Each bulletin is devoted to suggestions for increasing sales on the current or forthcoming numbers in the line. One, for instance, provides the sales force with a list of selling points for the intelligent merchandising of the Follmer Clogg line. To quote: "The best umbrella alone can't sell itself, but style-right, quality-guaranteed umbrellas in hands of a salesperson primed with fashion facts can become best sellers and grand profit-makers."

The bulletins suggest that a salesperson should not be satisfied with selling *an* umbrella, but should suggest extras for the home, the office, the car, as well as individual ones for distinctive costumes. "Why not advertise umbrellas she can keep in her home for the guest caught without one—it would be the height of hospitality—or at her office for a customer to borrow—it would bring her dividends in sales?"

The fashion bureau of Follmer Clogg have reversed their tactics also in the matter of regarding raincoats as competitive to the umbrella business. They now style their umbrellas to go with the best styles being offered by the raincoat manufacturers.

"It's the wise merchant who doesn't wait for the 'Probable Showers' sign to go up to call the attention of his customers to the fact that the well-dressed woman believes in preparedness for rain. Just any old dud, any old umbrella won't pass the fashion censor. She must have the right raincoat and the right umbrella for the time and place, and they must bear a definite relationship to each other."

Another of the bulletins starts: "Pray for rain, but don't wait for it to sell umbrellas. Now that they are accepted as a fashion accessory, why not promote them as you would—well, pocketbooks? You don't wait for the money to fill them."

The latest bulletin release shows how umbrella department managers can link their departments into the store-wide promotion on the George Washington Bi-centennial. To this end a line of umbrellas have been designed which have pineapple, pewter, acorn, scroll and fan light tops, all motifs adapted from Early American objects.

Thus, in this short two-year period, Follmer Clogg have completely reorganized their method of designing and creating merchandise ideas, as well as promoting sales of their product.




## Packages Prick the Export Market for Hawaiian Manufacturer

FROM out Hawaii-way comes one of the year's most romantic stories of—sales. As might be expected from a tale about the little island, it has both a Love and a beauty interest. But what is unexpected, perhaps, is that the story is concerned with how the combination became a money-maker.

Now here, for instance, is a fact that might cause our domestic manufacturers of biscuits and crackers to raise an incredulous eyebrow. In the last ten months Love's Biscuit and Bread Company, Honolulu, Hawaii, has exported to the United States more than 150,000 pounds of biscuits and crackers. A drop in the national biscuit bucket—but a fair beginning for a comparatively small outsider. Should their ratio of sales on the mainland increase in the same proportion as they have done at home—a probable eventuality, as present indications go—they might conceivably be regarded as a real factor in the industry.

The sales acclaim which greeted the introduction of Love's Hawaiian biscuits in this country, according to John A. Corbett, general manager of the company, is entirely attributable to the colorful and glamorous character of their packages. In the first four months after the company had reconstructed its packaging practices sales on the islands increased 38 per cent. In two years they had more than doubled. Their success at home encouraged the company to experiment with marketing on the mainland.

When Mr. Corbett, who had been the manager of the Pacific Coast Biscuit Company in Seattle, went to Honolulu in 1928 to take charge of the Love company, he found the conventional line of biscuit packages.

"I had seldom seen a lot of biscuit labels with so little attempt at individuality," Mr. Corbett explains. "Of a monotonously uniform orange and blue, with realistic reproductions of the products they represented, there was nothing to distinguish them from hundreds of others. They lacked that quality which shouts from the grocer's shelves, 'Buy me!'—in preference to all the other biscuit lines in stock. We resolved to launch a thorough housecleaning."

Mr. Corbett had a formidable proposition to put up to the style engineers: to create at once fifty-three labels, each to have its own individuality, and yet to maintain throughout the series, and any that might follow, a family resemblance. George Mellen, head of the Mellen Associates, who was retained to do the job of renovation, first of all made a careful tour of the local retail shops. His object was to isolate the one most common impulse which decided the purchase in favor of any product against its competitors. Honolulu provides an ideal laboratory for the analysis of universal buying urges, because there is such an admixture of races represented. The one universal appeal which he found common to all—Japanese, Chinese, Filipinos, Portuguese, Hawaiians and whites ("haoles," they call us in Hawaii)—was that of beauty. Race notwithstanding, they all responded to brilliant, riotous, harmonious combinations of color.

Why not translate this color appeal

(*Continued on page* 371)



Part II of an article in two parts

BY LAWRENCE M. HUGHES

# Putting the Stockholders on the Sales Staff

## What 29 Companies Are Doing to Sell More Goods to and through the Ever-Increasing Number of People Who Are Share Owners

WHAT are the big companies doing to keep stockholders informed of their operations and enthusiastic about their products?

It appears that they do quite a bit to keep them informed, but very little to keep or to make them enthusiastic.

The principal contacts with stockholders are in annual reports and in explanations accompanying dividend checks (usually quarterly). If there are no dividend checks, there are, as a rule, no quarterly explanations. Perhaps that is better so.

The annual report has become an important branch of American business literature. As the Metropolitan Life Insurance Company pointed out in a booklet on this subject in December, 1931, the report can be made to perform a definite educational job. Charts and exhibits help. Eastman Kodak, for example, presents charts showing consistent growth of assets and number of stockholders. General Foods traces the line of sales, earnings and stockholders since 1922. W. T. Grant presents comparative sales columns, year by year since 1907, and Coca-Cola does the same thing in terms of gallonage and per capita consumption.

Metropolitan Life itself shows the size of its familiar tower rising between 1890 and 1930 from $235,000,000 life insurance outstanding to nearly $19,000,000,000. General Electric's "columns" represent "orders received" in every year since the elder J. P. Morgan put the thing together back in '93.

Dennison Manufacturing Company (no outstanding leader, but sound and interesting) shows the increasing number of inquiries received from national advertising for a six-year period. Standard Brands and First National Stores present maps of their marketing scope; du Pont a chart of relationship with subsidiaries.

The current annual report of Copeland Products, Inc., summarizes simply and concisely a lot of things stockholders should know: general business conditions; the progress of electric refrigeration in general and of Copeland in particular; the company's increase in sales and reduction in expense ratio, with a "picture" of the line and of technical development.

Kroger Grocery & Baking compares its own sales with general business conditions, and presents an interesting table on sales increases by those branches who are participating in the Kroger Food Foundation advertising as compared with those who are not.

Like Metropolitan Life, Liberty Mutual Insurance Company believes in the soundness of a graphic presentation of growth in resources, surplus, premiums written and other statistics of basic development.

Plants, processes and products also are depicted by certain companies.

For the purposes of this article the trend toward product dramatization is especially significant. American Sugar Refining, for instance, shows a group of its Domino products, with the invitation "Join the Domino Family." Some companies, such as Lambert Pharmacal and American Tobacco, have presented new stockholders with samples of their products. A few are telling stockholders more in detail about new products, new sales and advertising methods and the invasion of new markets. In other words, without actually telling them to sell, they are providing them with the ammunition. Lunsford Richardson, president of Vick Chemical Company, informed stockholders in a letter last month (SM Jan. 30) that he was sending samples of new products under separate cover and would like to have their suggestions regarding them. He then related in detail the features and use of the products, and the reasons, in sales and advertising methods, for the success they had already achieved.

Drug, Inc. (of which Vick is a division), also does sampling to stockholders for certain other of its products.

A current bit of merchandising to stockholders was contained in a letter last week from E. W. McCarty, president of the Nash Motors Company, announcing the new Nash motor car models:

> "The five new series of Nash cars will be announced Saturday, February 27.
>
> "In addition to having beautiful bodies, with beaver-tail backs, longer wheel-bases, increased power, smoother performance, and smaller wheels with larger tires, there will be such new features as silent, underslung worm gear axles; hand-controlled, full-range ride controls; two glove boxes in the instrument panels; x-dual frames, and many others as listed on the inside pages.
>
> "Your management and your Board of Directors are firmly convinced these are the finest line of automobiles yet produced by your company.
>
> "As a Nash stockholder we hope you will not only personally inspect these new cars but get behind the wheel and drive




## *U.S. Census of Retail Sales Shows Where ...erti*

### *Here Is a Parade of P... Geo*



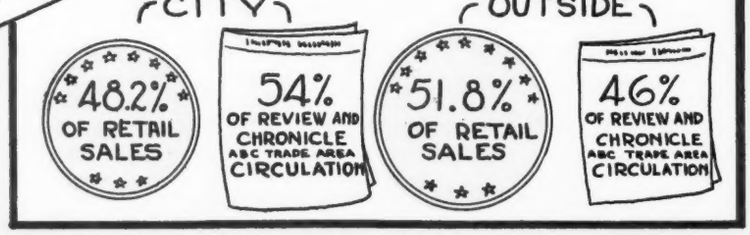

# Pacific Division Ranks First -- Beat A...
# Leads 44 of 48 States -- Spokane ...ry
# All Cities 100,000 to 5... D...

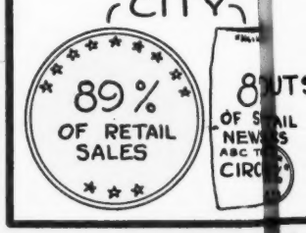
**RELATIVE IMPORTANCE:** Of the U. S. total of 50 Billion Dollars retail sales vo... Cens... for 1929, Washington, Oregon, Idaho, California and Western Montana accounted for 1/... grea... the total, with only 1/14 of the population. When spotting your 1932 "preferred mark... Censu... remember that the per family wealth of the Pacific Division is one-third above U. S. ave... TINC... while per capita retail sales are 34.9% greater. Then, late authentic reports indicat... SPO... hoarding than in any other section. ...86%

**SPOKANE MARKET DISTINCTLY DIFFERENT:** The Spokane Market, with ...an ar... than a half-million consumers, is not only one of the most important of the Four M...rage ... Markets of the Pacific Northwest—sales conditions are relatively outstanding. Based ... by z...

## RELATION OF RETAIL SALES AND NEWSPAP...UL...

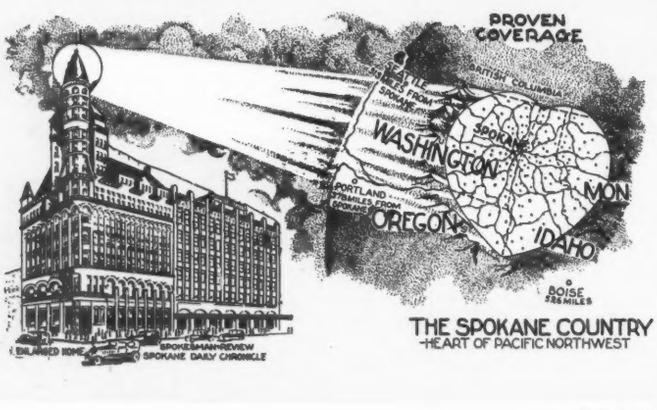



**AUTHORITIES: U. S. Census of Retail Sales; Standard Rate and Data.**

**SIGNIFICANT--Proportion of Sales Spokane Market in Trade Area Outside of City Twice as Great ... either Seattle or Portland Market. Distribution of REVIEW-CHRONICLE Circulation Closely Coincidin... PO...**




# The Spokesman-...

**COMBINED...U...**

**PROVEN COVERA...P...**

**COMPARED URB...A...**

**54% OF (A. B. C. TRADE ...C...**

**46% OF (A. B. C. TRADE ...C...**

## ere ertising Dollar Will Pull Greatest Results
### e of Pe Geographical Divisions




## Beat Average by 34.9% -- Washington
## ane ry Urban 30.1% Above Average
## to 5 - Distinctly Different!

l sales vo Census of Distribution, the urban per capita retail sales in the Spokane Country are ted for 1/ % greater than average for all 77 U. S. cities of 100,000 to 500,000 population. And now, red mark Census of Retail Sales CONFIRMS claims repeatedly made that the Spokane Market is U. S. ave TINCTLY DIFFERENT. Note charts and facts below.
indicat

**SPOKESMAN-REVIEW and SPOKANE CHRONICLE,** with a combined circula- 86% *UN*duplicated, not only give the advertiser 98.1% coverage of the Spokane metro- , with an area, but compared with urban families in the A. B. C. trade area outside of city, the Four M rage is 98.4% — note how closely the distribution of circulation dovetails with retail Based by zones.

## Washington Leads 44 of 48 States

**(Rank of States in Per Capita Retail Sales — U. S. Census)**




| | | | |
|---|---|---|---|
| 1. California | $575.73 | 25. Iowa | $395.85 |
| 2. New York | 575.12 | 26. Utah | 393.90 |
| 3. Nevada | 550.06 | 27. New Hampshire | 390.88 |
| 4. **WASHINGTON** | 495.29 | 28. Maine | 388.67 |
| 5. Massachusetts | 484.49 | 29. Idaho | 380.81 |
| 6. Illinois | 483.23 | 30. Indiana | 379.59 |
| 7. **OREGON** | 482.50 | 31. South Dakota | 378.36 |
| 8. Colorado | 480.65 | 32. Maryland | 376.22 |
| 9. Connecticut | 475.80 | 33. Texas | 356.10 |
| 10. Michigan | 461.67 | 34. North Dakota | 341.94 |
| 11. Rhode Island | 460.47 | 35. Florida | 338.92 |
| 12. Ohio | 459.89 | 36. Oklahoma | 331.33 |
| 13. New Jersey | 458.12 | 37. New Mexico | 285.50 |
| 14. Wyoming | 449.53 | 38. West Virginia | 255.68 |
| 15. Montana | 446.58 | 39. Tennessee | 248.36 |
| 16. Arizona | 441.76 | 40. Virginia | 246.42 |
| 17. Nebraska | 435.16 | 41. North Carolina | 234.72 |
| 18. Kansas | 434.56 | 42. Kentucky | 226.43 |
| 19. Vermont | 422.89 | 43. Louisiana | 223.65 |
| 20. Wisconsin | 419.73 | 44. Arkansas | 221.89 |
| 21. Pennsylvania | 419.42 | 45. Georgia | 212.32 |
| 22. Minnesota | 418.92 | 46. Mississippi | 205.92 |
| 23. Delaware | 416.12 | 47. Alabama | 198.19 |
| 24. Missouri | 410.58 | 48. South Carolina | 171.98 |

## PAPULATION BY ZONES -- 4 MAJOR MARKETS OF PACIFIC NORTHWEST




## RETAIL SALES BY VOLUME BY MARKETS

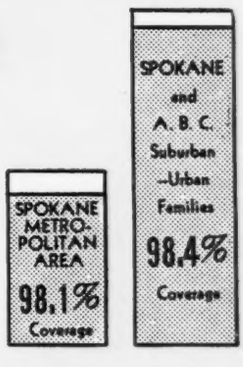
Great incidin **AUTHORITIES: Counties credited by "A Study of All American Markets;" "U. S. Census Retail Sales by Counties."**
POKANE MARKET, $297,080,000 Seattle Market, $331,230,000 Portland Market, $369,480,000 Tacoma Market, $140,850,000

# n-view and Spokane Chronicle

## NED ULATION -- 86% UNDUPLICATED

## ERA POKANE METROPOLITAN AREA 98.1%
## RB AMILIES A. B. C. TRADE AREA 98.4%

DE CIRCULATION IN CITY AND 48.2% OF RETAIL SALES
DE CIRCULATION OUTSIDE AND 51.8% OF RETAIL SALES



them, so that even if you, yourself, do not contemplate the purchase of a new car, you will be able to inform your friends regarding its merits."

Occasionally a company offers a special deal to stockholders. For the last two years Borden has attached to its December 1 dividend check a circular offering stockholders varieties of cheese at an exceptionally low price.

Information from companies to stockholders is becoming more frequent and more complete. Monthly house organs, like the Texaco *Star* and the Standard of New Jersey *Lamp*, enable stockholders to keep more closely in touch with things, although they do not usually devote much space to marketing. General Foods sends five mailings yearly (four being pamphlets, news letters, etc., accompanying dividend checks, the fifth the annual report) both to "keep them informed and to stimulate the use of our products," as President Chester explains. Standard Brands follows a similar plan.

President Teagle, of Standard of New Jersey, sends a letter to each new stockholder, with a list of certain of its products. National Biscuit also spotlights a few Uneeda products at a time. American Radiator & Standard Sanitary definitely "solicits their assistance to increase sales." For its products of wide consumer use, Westinghouse does likewise.

Hershey Chocolate, on the other hand, makes no effort at all to put its stockholders to work. (This being directly in line with its policy of not advertising at all.) "All the stockholders of Pacific Mills have," says President Herrick, "is the annual report, unless they ask for specific information."

Canada Dry Ginger Ale, though employing no samples nor deals, goes into detail about new products, and occasionally about sales and advertising methods.

One or two companies, like Liggett & Myers Tobacco, prepare special copy for financial journals, addressed to present or prospective stockholders and calling attention not merely to their stability and future prospects but to features of their products.

In the great majority of cases, however, either in the annual report or elsewhere, no consistent and intensive efforts are made to get stockholders to buy their products nor to talk about them. Most companies which refer to products at all merely present them in a table almost as heavy as a balance sheet. Some, like Quaker Oats and Borden, depict the products or their containers in actual colors. And Texaco does better still with those Scottish terriers, "listening to the quieter action of your engine." But most of the rest are as dead as eight-point solid type can make them.

Perhaps large companies consider a bit of human interest in their relations with stockholders to be beneath their dignity. And yet one is inclined to think that if companies advertised no more persuasively to other members of the public than they do to their own, they could not sell goods at all. They would not be big companies at all. Of course, there are legal aspects to consider, and stock and products cannot be sold as part of the same deal. But there is still a lot more that companies can do, and still keep within the laws of the state and of propriety.

Stockholders are just about as human as other people. Perhaps sometimes they get a little sick of all the charts and figures and formalities. They must have them, of course. Facts come first. But life and color and warmth and human interest are the makin's of enthusiasm.

American companies have about 15,000,000 stockholders. With a bit more stimulation from the sales and advertising departments, what a lot of spare time selling these 15,000,000 people could do!

# Pricing to Sell Department Stores

(*Continued from page* 357)

the salesmen who called, As a result, his business was not worth much to any manufacturer, and his investment in any one line was so limited that he had nothing to feature in newspaper advertising or to promote as a line leader. Until that time there had been no definite purchasing plan. He had simply bought merchandise which appealed to him personally and added onto the cost the average normal rate of profit.

The upshot of this study was a complete reorganization of the department. Stocks were analyzed by items, and each item classified according to logical price levels. For instance, it was agreed that the public at that time expected to pay for a leather suitcase, $10, $15, $20, $25 or $35. Any further variety of price between the maximum and minimum would serve no practical purpose and would only complicate sales promotion activities. Accordingly, stocks on hand were sorted and repriced to these levels. The same procedure was applied to other items in the luggage department, and all other stores in this group from coast to coast followed the same reorganization plan. If no change of policy had been made, this store, during the following season, would have been able to offer only an ordinary $10 suitcase, with cheap hardware and trimmings, monotonously similar to those sold by every other outlet in town at that price. Under the revised plan of operation, however, they gained a marked competitive advantage. The group was able to estimate the number of $10 suitcases which would be sold in each city over a period of six months. With these estimates they approached leading suitcase manufacturers with the idea of concentrating purchases and thus giving the manufacturer opportunity to plan production weeks in advance and at the same time to develop a better value than the market had thus far afforded in merchandise of this style and quality. The manufacturer who got the business was able, by reason of guaranteed volume and regularity of delivery, to furnish more substantial and better looking hardware, heavier linings, stronger solid ring handles, and other details of construction which provided the basis of a stronger sales promotion program than they had ever before been able to put behind this product.

The success of this, and other similar ventures, resulted in a general application of the price-lining principle to most other commodities sold by the big stores.

All of these facts, taken together, constitute the reason why any manufacturer who hopes to sell the department store field must study intensively the price activity in his line, and watch continuously for new price trends. The point to be especially emphasized is this: the price policy that is successful today—not only in the department store market, but in other markets as well—is the policy which is based not arbitrarily on manufacturing costs, *but on what the consumer wants to pay at the moment.*

This type of merchandising was perfectly exemplified in the survey made recently by R. H. Macy & Company, of New York, in which they interviewed 20,469 housewives to find out what these women expected to buy in January, and *what price they wanted to pay.**

*This survey was described in SALES MANAGEMENT for January 16, 1932.

## Easy Washer Persuades Its Dealers to Stress Higher-Profit Units

SYRACUSE—The national average for retail washer sales in 1931 was about $85 each. The average for Easy washer dealers of the Syracuse Washing Machine Corporation, on the other hand, was $109. Yet Easy washer dealers not only sold in the aggregate more units in 1931 than in 1930, but made more than a commensurate increase in profit on each transaction.

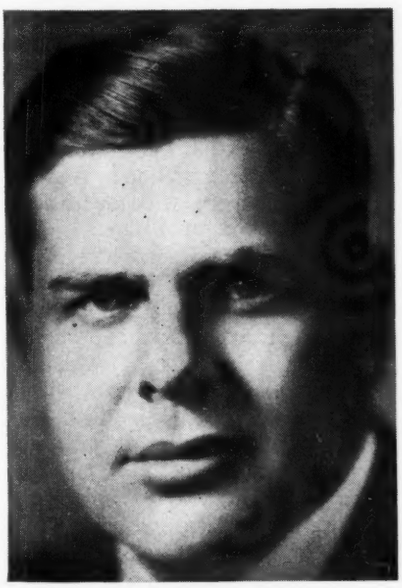
In the company's merchandising plan, worked out under the direction of L. R. Boulware, general sales manager, the features and profit ratios of the five Easy models are dramatized.

The retail prices of the models are, respectively, $69.50, $99.50, $119.50 and two of $165. Gross profits, respectively, however, are $25.60, $39.80, $55.79 and $77.03. Thus the $99.50 model provides 55.4 per cent more, the $119.50 provides 117.9 per cent more, and the two $165s, 200.8 per cent more gross profit per unit sale than the $69.50.

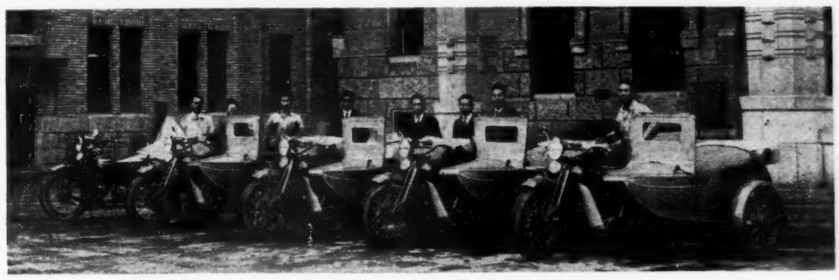
Though commissions are, respectively, $5, $10, $15 and $22.50, the overhead for fixed charges is the same for each model, or about $20 each. Thus the company shows that while the dealer's net profit is only 60 *cents* on the $69.50 model, it grows successively to $9.70, $20.79 and $34.53 on each of the higher-priced members of the line.

### $40,000 to Sell Grapefruit

WINTER HAVEN, FLA.—The Florida Citrus Growers' Clearing House Association and the Florida Citrus Exchange each has voted $20,000 toward a fund to promote Florida grapefruit. Other grapefruiters are expected to join.



John F. Reeder



*Indian Motorcycles in Osaka—Shanghai bound.*

## Sino-Japanese Warfare Increases the Demand for Some US Goods

NEW YORK—Another World War might be a fine thing for American business, if the combatants could be persuaded to conduct their operations on other than American territory. Its predecessor, of 1914-18, transformed the United States into the world's foremost economic power.

Already the Sino-Japanese affair has stimulated the sales of various products. In fact, even before hostilities began, the National Foreign Trade Council points out, Eastern Asia was the one section of the world where our volume gained ground during the depression. In 1931, says O. K. Davis, secretary of the council, they amounted to $98,000,000, as compared with $90,000,000 in 1930.

To obtain a "closer-up" picture of the Far Eastern market the council is holding its annual meeting at Honolulu, May 4-6.

Meanwhile, Chinese government representatives are negotiating with United Aircraft Exports, Inc., at Hartford, for the purchase of more Chance Vought planes. Thirty such planes were sent to China last summer.

Japanese representatives are looking for ammunition in Chicago.

Among the first units ashore in the Shanghai battle was a squad of Indian motorcycles, with Japanese-made side cars, manned by Japanese marines. The photograph shows some of these machines recently delivered by the Indian Motocycle Company to military authorities in Osaka, Japan.

The Chinese army is also using a large number of Indian motorcycles.

## All Pacific Coast Unites to Promote Olympics

LOS ANGELES—The Pacific Coast from British Columbia to Mexico is cooperating in a four-page advertisement in the *Saturday Evening Post* of March 26 featuring the Olympic Games to be held in Los Angeles next summer.

Participating associations are Puget Sounders & British Columbians, Assd., Seattle; On-to-Oregon, Inc., Portland; Californians, Incorporated, San Francisco, and the All-Year Club of Southern California, Ltd., Los Angeles.

## John F. Reeder Directs Cadillac Advertising

DETROIT—John F. Reeder, of Campbell-Ewald Company, has been appointed advertising manager of the Cadillac Motor Car Company, succeeding Trueman F. Campbell, who has joined the Campbell-Ewald staff.

Starting with the United States Advertising Corporation, at Toledo, Mr. Reeder later joined P. P. Willis, Inc., there — becoming connected with Campbell-Ewald in 1927.

## Canada Dry Develops 2,000 Syrup Outlets

NEW YORK—Two thousand soda fountains in New York City are now dispensing Canada Dry Ginger Ale Company's new 5-cent ginger ale drink, an executive of the company informs this magazine. The new syrup was introduced here January 1. First launched in Toronto and Montreal the middle of November, it is now being sold by "most of the better fountains" in those cities.

Though plans for wider distribution are now being made, "we'll probably clean up the Metropolitan area first." One ounce of syrup plus five ounces of carbonated water make the fountain ginger ale.

### GE Promotes Mahony

CLEVELAND—M. F. Mahony, manager, sales operations division, General Electric Refrigeration department, will also become head of the merchandising division—taking over the duties of A. C. Mayer, killed in an airplane accident last New Year's Eve.

NEW YORK.—A method of "applying" the permanent green coloration or patina found on ancient copper and its alloys, was announced this week by the Copper & Brass Research Association.



*Miniature mill provides unusual background for Fruit of the Loom store display.*

# Cross-Selling Plan Again Boosts Fruit of the Loom's Business

NEW YORK—When a product is made for manufacture into something else—when it reaches the public under somebody else's name—the original manufacturer has a lot of trouble to keep his identity alive—so far as the public are concerned. Usually he does not attempt it. If he is proud of his workmanship and products, however, and seeks a bigger sphere of influence, now and then he tries to educate the public that his ingredients are largely responsible for the quality of the products they buy. Fisher Bodies does this, in a way, in connection with General Motors cars. United States Steel could do it, if it would, in a consumer advertising campaign emphasizing that the strength and durability of such things as General Motors cars and of the new Rockefeller City project depend to a large degree on the U. S. Steel used in their construction, and mentioning that this same steel—carrying the U. S. Steel imprimatur—is available, for example, on certain hammers sold to the public in hardware stores.

The maintenance of this dual identity—the one of material, the other of finished product—is what B. B. & R. Knight Corporation of Providence and New York calls a cross-selling plan. The Knight brand name, "Fruit of the Loom," is 75 years old. Its plan of merchandising two labels and two guarantees in advertising and on packages is the oldest such program in the textile industry. Its soundness is shown by the fact that in 1931, when nearly all business was "off" and textile products even more than the average, Fruit of the Loom Mills recorded an increase of 24 per cent in volume and 6 per cent in dollar sales. More than 50 products of 17 licensees now bear the Fruit of the Loom name, as well as that of the remanufacturer. They range from house dresses (probably the largest item) to sheets and pillow cases. Among others are mattress covers and bedspreads, ironing board pad covers, underwear and nightwear for men, women and children, children's and infants' outerwear, men's and boys' shirts.

"Fruit of the Loom works on the theory that two labels and two guarantees are like two names on a promissory note," explained George Keyes, vice-president in charge of sales. "The consumer buys with greater confidence. The department store finds it helpful because Fruit of the Loom products are now carried in 24 departments. It keeps the customer in; shows her through the store. "Our licensee plan is exclusive," Mr. Keyes emphasized. "We limit the use of the Fruit of the Loom label to one cutter-up in each type of goods and price range. His products had to be up to specification when he was given the right to use the label. He can keep his license only so long as they continue up to specifications. We now have a sizable waiting list, but there isn't much chance for them to get in. We don't intend to risk the sacrifice of quality for volume. We have spent too much effort and money in product and promotion to build a wide recognition of Fruit of the Loom fabrics on the part of the trade and the public for 75 years—have found it too effective to deviate now.

"The exclusive arrangement put another premium on the licensee plan. Rival manufacturers of cotton goods, imitating it, were handicapped at the start by not having a single label for all their products and recognition for their trade names. Often they put themselves under a second handicap: wanting all the business they could get from as many cutters-up as possible, they were not always careful to see that the licensees retained quality in remanufacture.

"We have endeavored to keep pace with the market in standards and style. Originally, Fruit of the Loom sold 'white goods' only. As color and style became important, we added a style line, in solid colors and in prints, and in varied weaves and finishes.

"Though products made of Fruit of the Loom fabrics are not high in price, the entire program is intended to lift them above wasteful price competition. Quality always comes first. This factor built up our distribution in stores of mass- and class-appeal alike. "Recently a retail executive was transferred from a mass store, not in New York City, to a class store on Fifth Avenue. He recommended a sale of children's pajamas at 95 cents. 'Not our sort of goods, not our sort of trade,' was the comeback—until it was explained that the pajamas would be made of Fruit of the Loom fabrics and would have the Fruit of the Loom label. The sale was a success."

## Westinghouse Markets "Complete Kitchen"

MANSFIELD, O.—It's surprising the way General Electric and Westinghouse think up the same merchandising stunts at the same time.

No sooner does GE announce a plan (SM February 27) to sell refrigerator, range, dishwasher and various other kitchen appliances as a group on time payments as low as $4 a week than Westinghouse comes out with a complete electric kitchen for $4.20.

There is, for example, a "supremely efficient" Westinghouse Flavor Zone range for as little as $1.50 a week; Dual-Automatic refrigerator for $1.75, and "trifling sums" for such things as exhaust fan, iron, percolator. A Budget Buying Book gives full details.

# Service standards remain unchanged . . . but your bill will average about 20% less!

## NOW . . . it's poor economics to risk . . . the wrong address

The ups and downs of business may resemble a trail through the Andes. The wheel of Fortune may act like a compass off its base. But the inclination to assay the traveler by his hotel address is just as fundamental now as in the spendingest days of the balmiest boom.

THE BLACKSTONE address has always signified a mission . . . and a traveler of importance. Socially and commercially . . . THE BLACKSTONE has successfully ministered to the requirements of travelers of world-wide experience.

This fact, we believe, gives a special aspect to our recently announced rate reductions. On an average, your stay at THE BLACKSTONE will cost just about 20% less than formerly. Rates have been reduced proportionately on rooms . . . menu charges and on the countless incidentals which are a part of every hotel bill.

We arrive at our lowered costs by simply passing on to you economies which we have been able to effect without disturbing our usual service standards. In a word . . . the cost . . . not the service . . . has been reduced.

We frankly invite the critical comparison of those who have interpreted the magnificence of THE BLACKSTONE . . . as placing it beyond the means of the average traveler. You will be pleasantly surprised to learn that you can now stay at THE BLACKSTONE for not more than what less distinguished accommodations may cost you.



On beautiful Michigan Boulevard overlooking the Lake . . . away from the disturbance of the Loop . . . yet conveniently close

Rates now begin at **4.00** a day for a room with bath. Lunch in the Grill $1.00. The dinner is $1.50

# THE BLACKSTONE

CHICAGO •

## Carnation Head Retires: Mules, Contented Cows Create Success Story

MILWAUKEE—E. A. Stuart, founder and for many years president of the Carnation Company ("milk from contented cows"), retired last week to become chairman of the executive committee and of the board of directors. He is succeeded in the presidency by his son, E. H. Stuart, executive vice-president.

Born at Guilford Court House in North Carolina, E. A. Stuart followed a nomadic career throughout the west. At twenty he had a job in a store in Lawrence, Kansas, where he earned enough money to buy a span of mules. A year or two later he landed with his mules in El Paso, Texas, and went to work on railroad construction. He and the mules made good and he was promoted to timekeeper—ending as manager of the camp's commissary.

Prospering, he moved about fifteen years later to Los Angeles, where he helped to form the wholesale grocery business of Craig, Stuart & Company. Mr. Stuart entered the milk business at Kent, Washington—heard of a new process of condensing milk by evaporation, acquired it, took a dismantled hotel for a factory, and in 1899 started its manufacture. The product proved popular. His milk had no name at that time and the cans were not even labeled, but production grew until he had to employ salesmen. When he got to where he was canning over 6,000 pounds of milk a day he thought he had reached the top. Today millions of cans are sold from the various Carnation canneries every week.

## Airways Reduce Time to the Southwest

NEW YORK—Coincident with a general reduction in passenger fares, American Airways, Inc., announced this week a new schedule on its Southern Transcontinental route, through arrangement with the New York Central Lines, to provide connections at Cleveland with the Southwestern Limited, which leaves New York daily at 6:20.

This coordination of schedules, Frederic G. Coburn, president, pointed out, will put such cities as Cincinnati, Louisville and Nashville half a business day away from New York; Memphis, New Orleans, Little Rock, Dallas and San Antonio, one day. It also offers a direct service between New York and Mexico City and Tampico, of approximately 44 hours.



E. A. Stuart

## FWD Concentrates Fire on "Natural Markets"

CLINTONVILLE, WIS.—FWD Company, truck manufacturing concern here, has found it profitable to concentrate its sales and advertising campaigns on "natural markets." "The policy enables us to work closely with our prospects and customers," R. H. Schmidt, general sales manager, explained.

"A typical example of the result of this system," continued Mr. Schmidt, "is in the highway field. We have worked with state, county and municipal highway departments for several years in developing a truck particularly suited to their needs. The effectiveness of this type of cooperation with our users and prospects is indicated in our present record of thirty-nine state highway departments, six Canadian provincial highway departments and over 600 counties having purchased FWD trucks.

"The advertising program dovetails with the sales program in these specific fields."

## Best Foods on the Air with Jones and Hare

NEW YORK—Billy Jones and Ernie Hare, erstwhile Interwoven Pair, one-time Happiness Boys, will be the Best Foods boys five nights a week, fifteen minutes at a stretch, over 36 NBC-WJZ stations beginning March 7. Repartee, gags, funny songs—and mayonnaise.

They are now on tour, under the auspices of Jay Gould, general manager of The Best Foods, Inc., visiting distributors and salesmen in San Francisco and later in Chicago and New York.

## "Squibb Plan" Members Augmented Earnings 24 Per Cent in '31

NEW YORK—Net earnings in 1931 of members of the Squibb Plan, Inc., affiliated with E. R. Squibb & Sons, manufacturing chemists, were at the rate of 23.8 per cent on the capital paid in for distributors' preferred shares, C. H. Palmer, president of E. R. Squibb, reported this week. Total purchases of Squibb products by members of the Plan, Mr. Palmer added, increased 23.2 per cent over those in 1930.

In the two years and eighty-four days of the Plan's operation, members together had earned more than 60 per cent on their investment.

The Squibb Plan, Inc., was launched August 14, 1929, "for the purpose, among others, of promoting and increasing the distribution and sale of products of Squibb and of enabling distributors of such products to share in the profits of the Squibb corporation." The corporation originally had authorized capital stock of 200,000 no par shares—100,000 distributors' preferred shares and 100,000 manufacturers' shares. E. R. Squibb & Sons agreed to pay the corporation at the end of each year a sum in cash equal to 10 per cent of the total net purchases of Squibb products by holders of the distributors' preferred shares. Thus the druggist shareholders were assured of receiving not only a preferred dividend of 6 per cent, but a further participation in the profits of E. R. Squibb & Sons.

## RCA Victor Transfers Several Sales Heads

CAMDEN—Unification of RCA Victor Company's domestic and export sales activities and consolidation of RCA Photophone, Inc., with RCA Victor have induced this sales executive realignment:

E. O. Heyl, formerly in charge of RCA photophone sales, now manager of the Photophone division, Camden.

F. R. Deakins, now manager of Engineering Products Division, in charge of government, broadcast transmitter and other such sales.

Ernest H. Vogel, manager of the Radio and Phonograph division, heads all domestic and foreign sales of these products, as does C. Lloyd Egner for records and recording apparatus.

Pierre Boucheron, manager of the advertising and sales promotion division, will direct these, and publicity, activities of the company here and abroad.

# ATLANTIC CITY ◆

A City of Homes in addition to its Famous Hotels and Boardwalk

5000 WATTS **WPG** CLEARED NATIONAL CHANNEL

## IN THE PUBLIC EYE ◆ ◆ ◆

Atlantic City is visited by millions from all parts of the world —its doings and activities are of interest at all times.

During a recent three-month period W P G acted as KEY STATION for the entire Columbia Broadcasting System 61 times.

Over a million radio sets located in the good service area of W P G.

Our location on the Atlantic seaboard gives a strong over water signal the length of the entire coast. The listener tunes to—W P G for programs they want to hear — tell them your story.

A radio survey by the Columbia Broadcasting System shows a population over ten million in the good coverage area of W P G. In addition a summer inquiry directed to the chambers of commerce in a limited list of cities with a population over five thousand shows:

*W P G is listened to regularly by—

30 cities in Connecticut
22 cities in Florida
23 cities in Maine
34 cities in Massachusetts
13 cities in New Hampshire
6 cities in Rhode Island
12 cities in Vermont

*Above list is in addition to figures shown in good coverage market data.

(List of individual cities in each state may be had upon request.)

MARKET DATA

Local Coverage

| | |
|---|---|
| Population | 256,193 |
| Families | 62,486 |
| Radio Sets | 28,539 |
| Radio Listeners | 88,470 |
| Residence Telephones | 25,461 |
| Passenger Automobiles | 49,413 |
| Bank Deposits | $127,875,000 |

Good Coverage

| | |
|---|---|
| Population | 10,086,918 |
| Families | 2,460,223 |
| Radio Sets | 1,094,947 |
| Radio Listeners | 3,394,336 |
| Residence Telephones | 975,329 |
| Passenger Automobiles | 1,416,974 |
| Bank Deposits | $5,841,079,000 |

1930 census figures recently released show New Jersey leads all states in percentage of families having radio sets—(63.3% own radio sets)

When picking your broadcast media, select one that is quick to respond—an ideal proving ground — WPG

**WPG**

DOMINATES THIS RICH TERRITORY WITH AN INTENSE COVERAGE

No other broadcast transmitter within 60 miles

# WPG Broadcasting Corporation

Operated by the COLUMBIA BROADCASTING SYSTEM

STUDIOS LOCATED IN THE WORLD'S LARGEST AUDITORIUM DIRECTLY ON THE FAMOUS BOARDWALK, ATLANTIC CITY

# By-Line Tail Wags Gilbert Dog; Electric Devices Forge Ahead

NEW HAVEN.—Sixteen years ago A. C. Gilbert Company, toy manufacturer, introduced an electric fan, at $5, as the nucleus of a secondary line intended to even out the sales curve throughout the year.

Last year the secondary line not only exceeded in sales any previous year, but became the primary line in point of volume.

"During the year," explained H. L. Tritsch, sales manager, "we added fifteen completely new or improved items to the line, and reduced prices on two older products. Though sales of individual numbers were not so large, the diversity of interest created made our total volume larger. It is the constant development of many new products, designed to fit a demand that we know exists," which made the "tail wag the dog."

With the $5 fan as a starter, the company felt its way slowly into a household market for moderate-priced, trade-marked electrical appliances. Using a small motor, first made for its Erector toys, Mr. Gilbert sought new uses for this product in the home.

He had four aims: first, development of such a market would smooth out the production curve of that part of the plant making small electric motors; second, he would provide all-year operation without the need to find some other basic item to keep the plant going; third, with a supplementary line he would get a consistent cash turnover instead of having only a heavy toy income during a few months of the year; fourth, development of such a home market would keep the sales force busy on a more even schedule and at a lower cost than would be possible without the electric line as supplementary to the toy.

After considerable difficulty breaking into the market with a small fan which distributors would not touch because they thought the market was not large enough to make the handling of a $5 item profitable, the company, in 1916, added an electric mixer for drinks, mayonnaise, icings, etc. Advertising that year totaled $5,000.

Then, gradually other new items were added. A vibrator followed the mixer. Then came a hair dryer, a heater, and a ventilator for the kitchen, bathroom or laundry. By 1928 the company was spending $100,000 on national advertising and the trade had been won to its expanding possibilities. "Each year," said Mr. Trisch, "additions to our line brought us increasing business. But it was not until 1931 that we found how really vital a part these items—which now total more than thirty-five—played in our business. These new items we are continuing to push as we have pushed all our older electrical products—in newspaper and magazine advertising which runs exclusively for one item at a time and which appears every three to four weeks in monthly and weekly mediums. On one new item, however, a humidifier for air conditioning in homes and offices, we are running a separate newspaper campaign in larger cities. Our advertising for the entire electric line is larger than ever and we are adding to it as the sales expectancy increases.

"It has been said that national prosperity follows the development of some great new idea, as with the railroad and the automobile. But we have found, as an individual manufacturing company, that our prosperity has followed the development of many new ideas which collectively bring us volume."

## Two Apologies

Two errors appeared in the announcement of the formation of New England Merchandisers, Inc., Boston (SM February 13). The president of the company is John H. Dowd, who took over the merchandising department of Eastern Advertising Company, which was discontinued the first of the year. The Eastern company is now one of Mr. Dowd's clients.

## *Women Stockholders Increase in GMC*

NEW YORK—Too late for inclusion in the Selling-the-Stockholders feature article (SM February 27 and March 5) was the following breakdown on the percentage of men, women and corporate stockholders in General Motors Corporation for the last three years, submitted by Alfred P. Sloan, Jr., president:

Of 305,400 stockholders on January 1, 1932, 57 per cent were men, 40 women, and 3 per cent corporations.

Of 255,791 stockholders on January 1, 1931, 59 per cent were men; 39, women, and 2, corporations.

Of 218,392 stockholders on February 15, 1930, 60 per cent were men; 38, women, and 2, corporations.

## Commerce Department, US Chamber "Merge" Information Work

WASHINGTON—"To help business men combat their problems through the more widespread application of practical merchandising facts," the United States Department of Commerce, United States Chamber of Commerce and the National Association of Commercial Organization Secretaries have combined their information facilities on new marketing methods, practices and ideas.

The Department alone received nearly 750,000 such inquiries in 1931.

In carrying out the program, the cooperating chambers of commerce will set up files of current merchandising information modeled upon those now maintained in the District Offices of the Bureau of Foreign and Domestic Commerce, Frederick M. Feiker, director of the Bureau, explained. This material will be available for consultation by local merchants and manufacturers as aid in solving their practical marketing difficulties.

The facts made available by the Commerce Department will also be used to increase the effectiveness of local speakers in group meetings by providing references and illustrations. Particular effort will be made to aid local trade groups in instituting simple cost and operations studies to suit their special needs, Mr. Feiker said.

Extension to the local communities of the model store exhibit idea is also anticipated.

## Window-of-the-Month Contest for Cannon

NEW YORK—Cannon Mills, Inc., has inaugurated a window-of-the-month display contest for department stores. A prize of $100 will be awarded monthly—being judged on the basis of photographs submitted by the dealers. Cannon will pay up to $3 each to cover photograph charges.

Judges are Frederic A. Williams, vice-president and general manager of Cannon Mills; Edward R. Dunning of N. W. Ayer & Son, Inc., and Irving C. Eldridge, display manager of R. H. Macy Company, New York.

## Wales on Sales

LONDON—The Prince of Wales will address the opening session of the fifth annual conference of the British Sales Managers' Association in London, May 20. The four business sessions of the conference will deal with the "Study of Markets"; "From Producer to Satisfied Consumer"; "The Sales Force"; and "Making the Goods Known."

## Packages Prick the Export Market for Hawaiian Manufacturer

(*Continued from page* 360)

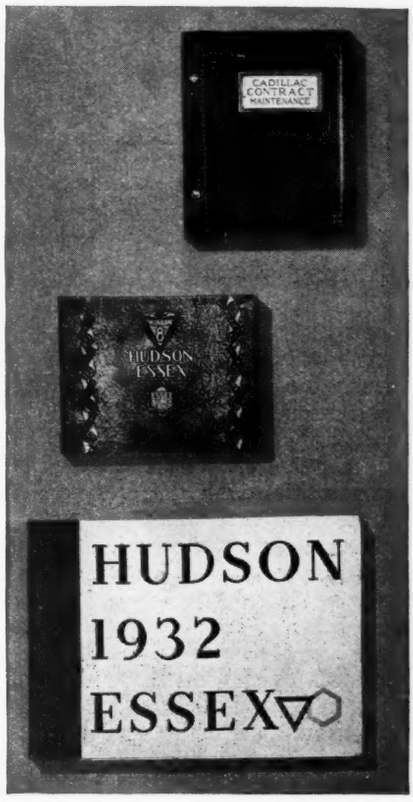
into terms of Hawaiian atmosphere? Was it absolutely necessary to be literal-minded about the merchandising of a product? Would it be a mistake to eliminate the reproductions of biscuits from their packages entirely? Was it perhaps impractical to discard the staid, conventional line for a venture into romantic design and exotic color schemes? They took the chance and have had to build a half-million-dollar factory to accommodate the increase in business. Flowers, symbols and geometrical figures were developed against a background—a dominant color scheme. "Aloha Sandwich" was identified by the flower-adorned head of a hula girl. The white blossom of the fragrant island ginger is the design motif on gingersnap packages. "Waikikis" are decorated with a bathing girl in the surf at that famous beach. Banana and lemon snaps carry—not pictures of the crackers—but of the fruit in natural colors.

"We deliberately designed the labels," says Mr. Mellen, "so that it makes no particular difference in their general appearance if the presses run a thirty-second of an inch out of register on four plates. Thus the platemaker can do his work with much more freedom. Of course we abolished realism as much as possible, which eliminates shading and half-tone in design, and the plates can be made almost entirely by photography. We selected four standard litho-colors, and by mechanical tricks of juxtaposition and superimposing we obtain practically every color. By such devices we have reduced the cost of the packages, and produced infinitely more attractive effects."

In the past, women have painted empty biscuit tins for use in their kitchens; today they use clear lacquer on Love's cans and put them on their shelves for decorative effect. Children save the labels and use them at kindergarten. So that one unexpected result has been that of long-lived advertising.

Every package carries the line: "This package made in Hawaii; Designed by the Mellen Associates, Honolulu; Lithographed by the Honolulu *Star Bulletin*."

All of which goes to prove that ideas and the ability to use them are not a matter of geography. Even we American masters of merchandising might take a tip from our Hawaiian neighbors.


Leading motor car companies use beautiful, durable, easy-to-clean du Pont FABRIKOID as bindings for their sales portfolios, catalogs, price lists, etc.

The outstanding one of unusual technique in this group is the larger one of Hudson-Essex, which is half bound in silver with the backbone in red and stamping in black. All were executed in the plant of the Michigan Book Binding Co., Detroit, Mich.

# THESE Catalog Covers will look new when they're old

## *They're made of durable, easy-to-clean* FABRIKOID

IT'S tough to be a cover . . . especially a catalog cover. It's got to be tough to stand the drubbing it gets. But just to be tough is not enough. A catalog cover must be attractive too. And *stay* attractive. That's the reason leading industrials select Fabrikoid to do the job.

Laboratory tests and users' tests prove that du Pont Fabrikoid stays new-looking longer than ordinary cover materials. Dirt and grime cannot imbed themselves in its lacquer-like surface. That's why Fabrikoid is so easy to keep clean. Just a wipe or two with a damp cloth, when it's soiled, and Fabrikoid looks new again.

Get a piece of Fabrikoid. Finger it, flex it, scrub it. See for yourself that it is all we say it is. Dictate a letter now for samples. When you write, address:

E. I. Du Pont de Nemours & Co., Inc., Fabrikoid Division, Newburgh, N. Y. Canadian subscribers address: Canadian Industries Limited, Fabrikoid Division, New Toronto, Ontario.

DU PONT FABRIKOID REG. U. S. PAT. OFF. **FABRIKOID** REG. U. S. PAT. OFF.

**MAKES COVERS SAY "*ATTENTION*"**

# Government in Business

BY JAMES TRUE

*Director, Washington Bureau*

WASHINGTON, D. C., *March* 2.—Now that the House Committee is getting ready to report out the sales tax bill, manufacturers of all kinds are showing increasing interest and offering more active opposition. Their effort has shifted from members of the committee to individual congressmen, in anticipation of the vote. The bill, as it goes to debate on the floor of the House, will provide a sales tax of at least 2 per cent on practically all manufactured or processed commodities, with the exception of bread, dairy and farm products, tea, coffee and sugar.

The meat packers are active in opposition to the bill on the ground that its enactment would increase the price of processed meats about $27,000,000 a year, and many other manufacturers are bringing what pressure they can to bear on individual members of Congress to oppose the measure. However, Congress is faced with the necessity of raising many hundreds of millions of dollars, and all signs indicate that the sales tax measure will be enacted.

**Opposition to the Capper-Kelly Bill** is both active and effective, and our opinion is that the House will not again pass the measure. Recently, Forest Walker, of Macy's, and B. H. Namm, department store owner and representative of the National Retail Dry Goods Association, appeared before the House Committee and denounced the bill as impracticable and unfair to retailers. The strangest feature of this proposed legislation is the tenacity of its promoters. It has been before Congress every session for about fifteen years, and its cost to the Government and to individual witnesses has been a million dollars or more.

**Attempts at Price Fixing Will Fail.** Regardless of any recommendations by the administration, it will be impossible to induce Congress to amend the trust laws to allow anything that even looks like price fixing. During all recent hearings on financial and business legislation, witnesses have been questioned in such a way as to show that practically all members of the committees are convinced of the uselessness of reporting out any bill that bears a resemblance to a price-fixing measure.

**The Boycott of Japanese Products,** although it is being organized aggressively, is not expected to assume important proportions. The campaign is privately condemned by Government authorities and economists; but they believe that the threat of an international boycott will have a salutary influence on the Japanese war spirit.

**Broadcasting for Political Harmony** early this week, Representative C. R. Crisp, of Georgia, said that, regardless of the responsibility for the condition, a fact and not a theory confronts the nation in the necessity for balancing the budget. "In my judgment," he added, "if the chosen representatives of the people in Congress measure up to their responsibility, they will forget self and party, courageously perform the duty facing them, and levy sufficient taxes to balance the budget. Without balancing the budget, the Reconstruction Finance Corporation, the Glass-Steagall Bill, the Rural Credit Bill and every other temporary relief measure will prove a futile and disappointing palliative. The cornerstone on which economic recovery depends, the sanest and wisest governmental policy for relieving the unemployment situation and giving employment to millions of our splendid people now idle, is a balanced budget."

**Market Maps of the United States,** based on the 1930 census, are being issued by individual publishers. These maps are available for consultation only in the Geographic Section of the Bureau of Foreign and Domestic Commerce. Three of them are a "Trading Center and Distribution Map," a "Trading Center Map" and a "Super-Graphic Population Center Map." The first shows by appropriate symbols the cities of various population groups. The density of population in each county is shown through the use of colors. A handbook accompanying the map contains an alphabetically arranged list by states of all cities and towns over 1,000, together with the location of the city, railroad facilities and 1930 population. The second map is similar except that it is not printed in colors. The first two maps are published by Rand, McNally & Company.

The third map is published by the Mapdraft Company and covers the United States and Southern Canada, indicating cities of 10,000 population and over according to size, and the largest towns under 10,000 in sparsely populated districts. This "Sales Control" map is priced at $3.50 and may be secured through the New York office of SALES MANAGEMENT.

**Motion Pictures in Schools** appear to offer manufacturers a broadening opportunity for educational advertising. As a result of a recent study by the U. S. Office of Education, it was found that more than 60 per cent of all American schools in the country used motion pictures last year. Of 44,186 presentations, 40 per cent were in the social sciences, and 26 per cent in the natural sciences, while more than 25 per cent were in the fields of physical education, the manual and industrial arts, home economics and English and commercial education.

**"Scope of the Chain Store Inquiry,"** the first report on the subject by the Federal Trade Commission, is now available in final printed form. It is Senate Document No. 31, and its cost is ten cents per copy. Four additional reports are scheduled for release before March 15. They are "Cooperative Grocery Chains" (Senate Document No. 12, price 35 cents); "Wholesale Business of Retail Chains" (Senate Document No. 29, price 10 cents); "Sources of Chain Store Merchandise" (Senate Document No. 30, price 35 cents); and "Leaders and Loss Leaders" (price not yet fixed). Send your orders to the Superintendent of Documents, Washington, D. C.

**The Returned Goods Problem,** which indirectly is responsible for a costly burden on many manufacturers, is being solved by merchants in Salt Lake City. The Commerce Department's district office there reports that a uniform policy for dealing with returned goods has resulted in a very substantial decrease in returns. For the cooperating stores the returns in 1930 were about 11.5 per cent greater than in 1929; but after the campaign was instituted, in 1931, they were more than 25 per cent lower.

## Why We Stuck to Quality

(*Continued from page* 355)

loss of time and money in offsetting earlier oversight. The business is carefully budgeted and its direction is known daily. We don't have to wait for the end of the month or the quarter to know where we stand. Last year was the first in the history of the company in which no additions were made to the plant. That was due in part to poor business conditions but more to the fact that a new research and development laboratory was being projected. It will probably be built this year, for we believe that few manufacturing businesses will survive the next decade without intensifying research; not only manufacturing research but research to solve the stupendous problems of cheapening distribution.

Last year we employed only one real emergency activity to meet the abnormal economic conditions. Convinced that the year would be a difficult one, all department heads were called in to a meeting in the spring and were told that economies would have to be made or wages cut. Every man was asked to submit suggestions to the end that operations might become more efficient. As a direct result of this we found a way to improve the manufacturing process to give a better product and at the same time to reduce costs substantially. The suggestions coming in in one week led to an annual saving of tens of thousands of dollars. There was no wage cut.

No one talks gloom at Upson. We are cognizant of conditions, but possibilities are still without limit. The depression, as we see it, has created a new set of external conditions which must be met and the meeting of them is a test of management as well as a guarantee for the future. It is hard for us to appraise our own success, but we felt we had come a long way when we were able to put two envelopes in the mail to stockholders at the close of the year. The first envelope contained the regular dividend to stockholders; the second enclosed another check with a letter which read, in part:

". . . The Directors decided that it would be a splendid idea to give an extra dividend and suggest that this be used for home modernizing.

"The use of the check in this way for needed improvements to your home will carry out the recommendation made by the President of the United States that it is the duty of every citizen, so far as is possible, to keep money in circulation and provide as much work as possible at this time."





*means much to Business Travelers*

**Does the plane you will use on your next journey by air carry the wording "U. S. Mail"?**

**If it does, it means that the transport company operating that plane has the highest airline standards in the world. It means that the company, its officials, its entire equipment, its pilots, were subject to the most searching inquiry by the United States Post Office Department before this company was awarded its certificate as an Air Mail contractor.**

**It means that its maintenance of schedules and methods of operation are under the constant scrutiny of this department, as well as by the United States Department of Commerce. The company's pilots must have passed the most stringent examinations—and must continue to measure up to the high mental, moral and physical requirements demanded.**

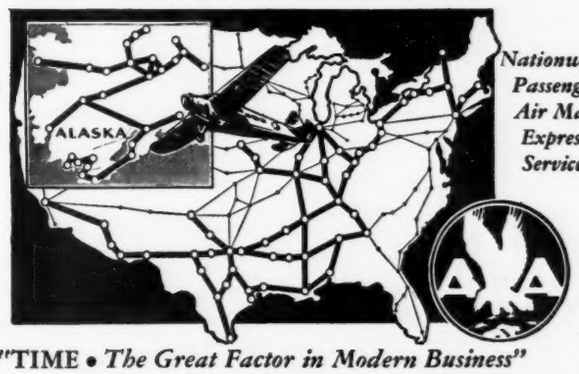
**You will find "U. S. Mail" on all American Airways passenger planes, throughout the nationwide network of airlines operated by this company.**

***Reservations and information regarding travel by American Airways may be obtained at all leading hotels, travel agencies and Postal Telegraph Offices***

**AMERICAN AIRWAYS** *Inc.*

COAST TO COAST • CANADA TO THE GULF

*Directly Serving 60 Major American Cities*




*Nationwide Passenger Air Mail Express Services*

"TIME • *The Great Factor in Modern Business*"

# Editorials

SALES FOLLY: The statistics of gasoline consumption definitely prove that the tire mileage for 1931 was larger and greater than for any previous year. This condition as regards total consumption existed in very few industries. Yet the great tire companies continue to turn in balance sheets and trading statements which reflect gross lack of consideration for stockholders and labor, and an operating policy characterized by sales folly. Even the General Tire & Rubber Company, with its unequalled record of good management and sound selling methods, felt the effects in 1931 of the devastating influence of the larger rubber companies. The chief executives and the directors of the leading tire companies continue to be the victims of more or less insane ambition for volume success, irrespective of profit and loss results for stockholders and amount of wages and steadiness of employment for labor. How long will it take the presidents and directors of these leading companies to agree among themselves—and to keep their agreements—that the respective output of their factories will be limited to a fair proportion of the total annual potential markets and that tires, whether sold to dealers, oil companies, mail order concerns, automobile manufacturers, or national accounts, will be sold only at prices which assure a fair and just profit, commensurate with the fact that tires today are good for anywhere from one to three years' wear. It is vital that the tire industry present a solid front to price chiselers who during recent years have taken such extreme advantage of the lack of competitive cohesion among tire manufacturers. The tire industry is, of course, only one of many industries where similar conditions obtain. Various kinds of inter-company agreements may be illegal, but certainly it never has been and never will be illegal for individual manufacturers to set quotas of output which are truly rational and to set prices which are profitable in fair measure. Surely it will never be illegal for manufacturers to tell their rivals exactly what they are going to do and then to prove their word as good as their bond. For too long a time now, manufacturers in certain fields have premised their hope for success on the theory of underselling a competitor—only to wake up and find that such a strategy produces no competitive benefit, but does result in the collapse of the whole industry. It is high time that courageous leaders point out that several companies in an industry can show adequate profits if no company seeks to dominate on a hoggish basis. The truth of this contention is being borne out even after price slaughtering throws competitors into bankruptcy. The re-organizations after receivership leave the old competition in a stronger position than ever in that machinery, plant and stock inventory have been decapitalized to a point which it is impossible for the companies that have remained solvent to equal and who must therefore carry on with a proportionately greater overhead. In this destruction of whole industries through price slaughtering, it is very noticeable that the larger companies have shown little or no cooperative understanding of what the problem is that all have in common and how it can best be met. It is possible that individualism within "big business" has placed a definite limitation on the all-around benefits of concentration within an industry.

CREDIT EXPANSION: The passage of the Glass-Steagall Bill, the creation of the Reconstruction Finance Corporation and the adoption of other measures aiming at the same end, make it reasonably correct for business executives to feel that the foundation has now been laid for a sound type of credit expansion. While this magazine shares this viewpoint as far as it goes, SALES MANAGEMENT nevertheless feels that all of this recent legislation will constitute much ado about nothing unless the banks and bankers become really conscious of the purpose. of what Congress has done. . . .

Up to date there has been pitifully little evidence of a change of attitude or policy on the part of banks and bankers when it comes to actual credit relations with their customers. The junior officials of the larger banks seem to be still operating under orders from higher up that the banks must be kept almost totally liquid and that existing loans must be amortized at a more rapid pace than ever. Senior officers and directors of the same banks seem to have relatively little contact with the rank and file of their customers, and seem to be far too oblivious to the necessity for *immediate* action in this matter of expanding credit for business. In the smaller commercial banks, deposits have been steadily dropping off, presumably more on account of people having to use their cash to live on currently, than on account of hoarding. The possibilities of credit expansion with such banks are rather dormant, and this situation is further aggravated by the fact that municipal and other deposits of a governmental type are rapidly being depleted by reason of failure to collect taxes, impossibility of floating new securities, etc. . . .

Almost all of the machinery which has been set up for credit expansion depends for its execution upon the same kind of bankers who have been chiefly responsible for the abnormal and irrational contraction of credit. The legislators can do relatively little in this matter of execution now that the credit expansion laws have been passed. Obviously, then, some powerful forces must be set in motion which will cause banks *actually* to expand credit and *actually* to use the credit expansion opportunities which have now been made available by law.




There are many more thousand sets now ready for bonfires. Who is going to sell the sets that will take their place?

# The RADIO INDUSTRY'S OPPORTUNITY is the 1932 REPLACEMENT MARKET

***It pays to visualize and ACT on these figures:***

| | |
|---|---|
| 15,500,000 | Number of sets now in operation. |
| 6,500,000 | Number of sets sold during last two years. |
| • 9,000,000 | Number of obsolete and partially obsolete sets including T.R.F. circuits, battery sets (in wired homes) and even crystal sets. |

- For the radio set manufacturer there is a potential market of 9,000,000.
- For the tube manufacturer (figuring an average of 7 tubes per set) there are 108,500,000 sockets for replacements.

## Radio Digest

The national radio fan publication, offers you the short cut to this market. It is "the Photoplay" of broadcasting. Every reader is not only the owner of a set but, more still, is radio conscious in the fullest degree —the type that wants the newest and best in radio.

Present your message to these radio fans. When the new set is bought—when the tubes burn out—your tilling of the soil will bear fruit, and the maturities are large for each and every month.

Rate $150 per page (which is plenty low for over 40,000 [A.B.C.] and upwards of 200,000 readers.) Cover and special positions upon application. ***Send for sample and detailed information.***

**RADIO DIGEST PUBLISHING CORPORATION**

**420 Lexington Avenue New York City**

# Media and Agencies

In the vaults of Price, Waterhouse & Company are to be found a lot of postcards—36,880, to be exact. These are the original documents from which P. W. & Co. gathered and audited the figures which comprise the third Study of Radio Network Popularity, sponsored by the Columbia Broadcasting System. They've kept the corpses of the cards—for deadly doubters with the conviction that only feeling is believing. If barred vaults intimidate you, the original tabulations of votes may be fingered at the New York office of the Columbia Broadcasting System. But if you'll take their word for it—as we do—you'll find this third bound edition of Columbia's annual contribution to radio history an important addition to your advertising reference library.

It presents to the merciless scrutiny of advertisers the figures culled as the result of the mailing of 213,000 questionnaires to seventy-two cities. Question number one: What radio station do you listen to most? Number two: What other station or stations do you listen to regularly?

Our SOS editor, Walter Mann, will give you details of procedure and findings in an early issue of SALES MANAGEMENT.

* * *

The interest of Charles Dana Gibson in the Life Publishing Company, publishers of *Life* magazine, has been acquired by Clair Maxwell and his associates. Mr. Maxwell has been president of *Life* for a number of years and is chiefly responsible for the change from weekly to monthly frequency and the consequent progress as the result of this new policy adopted last December. Langhorne Gibson continues as vice-president and Fred G. Francis becomes chairman of the board. Yes, this is the same Fred Francis who is treasurer and a director of SALES MANAGEMENT.

* * *

About a fortnight pre-Ides, Representative Cox of Georgia addressed himself to the Senate Committee in no feeble terms on this here matter of price-fixing by manufacturers. His kick is that the newspapers would sure-enough lose out. Says he:

"With the enactment of this legislation, and with all prices fixed, what's to become of the services the newspapers are now rendering the retailer in advertising his goods?

"There would be no incentive for the retailer to go to the newspaper and advertise his wares because the public would know the price was fixed and they would be bought at the same price no matter where it was purchased."

The American Farm Bureau Federation doesn't like the idea of price fixing either. It suspects that we manufacturers might jack them up.

The Grocery Manufacturers of America and the American Pharmaceutical Manufacturers' Association express themselves likewise. Their reason is that it would prevent legitimate price reductions for economic merchandising reasons—such as the need for disposing of overstock.

Their alternative for the Capper-Kelly bill would provide for protecting the public against price deception, would forbid injury to a competitor or creation of a monopoly, but would permit price reduction for "reasonable" business purposes.

"Some people may think we're fraternizing with the enemy." Thus does *Redbook* recognize the fact that it might be in for the boos and bahs of its competitive colleagues among newspapers and magazines for giving the broadcasting medium a break. *Redbook's* Radio Review will treat all factors behind the microphone generously. There will be a time-table of important national programs, in which not even the sponsors will be ignored.

* * *

The Gannett Company, Inc., announces a net profit of $929,241 for 1931, as compared with $964,746 in 1930. With business in general groaning under a 25 per cent loss in 1931 over 1930, and with economic conditions pulling against progress, Gannett's 4 per cent slip virtually amounts to a publishing triumph.

* * *

The Irving Trust Company are in the way of finding themselves engaged in the publishing business, whether they like it or not. With the *Police Gazette* already on their hands, it begins to look like *Judge* will be a receivership sidekick not long hence. Unless events take an unexpected turn, a petition for the appointment of an equity receiver for the Judge Publishing Company will be granted. Fred L. Rogan, until recently president of the company, filed the petition.

* * *

L. D. Weld, director of research, the McCann-Erickson Company, was the guest speaker at the monthly meeting of the Magazine Club on Monday. He explained McC-E's methods of correlating statistics to form buying power indices for each of their clients' prospects.

* * *

It's too darned bad we haven't any medicoes among our dear readers. Here's a gem of a little testimonial that might hurdle that Hippocratic hazard of advertising the herb-slingers grouse about. We found it in one of the best New York newspapers:

"I wish to express my sympathy and very cordial thanks to Dr. Lester Miller of No. 820 St. Mark's Avenue, Brooklyn, for having successfully operated on me for acute perforated appendicitis with abscess, in the Unity Hospital.

"The case was considered very dangerous by doctors who visited me. Dr. Lester Miller in the above case joined his skill in Chirurgery, delicacy and accuracy so that I didn't feel any consequence of the operation, no moral or physical effect, leaving me in perfect health.

"I intend with this public declaration to confirm my confidence and that of my family to Dr. Lester Miller.

"For the truth, I am

Santo Albanese,
1336 Herkimer Street,
Brooklyn, N. Y."

Ain't it grand to be alive, Santo?

* * *

The Clinton Carpet Company has gotten out a clever promotion piece for distribution to dealers. It's a large broadside in two colors, folded down into sixteen squares, each of which features the cover of one of the national magazines in which Ozite advertising appears. *Satevepost, American, Collier's McCall's, Woman's Home Companion, Ladies' Home Journal, Pictorial Review, Good Housekeeping, the New Yorker, House Beautiful, American Home, Home and Field, House and Garden, Delineator*—"They're all working for you!"—says Clinton to the dealer. "Show this advertising Campaign to your Salesman . . . it means EXTRA SALES for them!"

* * *

Account changes: Park & Pollard Company, Boston, to Badger & Browning; Detroit Creamery, Arctic Dairy Products, and affiliated companies throughout Michigan, to Campbell-Ewald (newspaper, radio and outdoor media); the Climalene Company to W. S. Hill Company (newspaper and radio media); California Date Growers Association to Lord & Thomas and Logan (campaign deferred until autumn); E. W. Bennett & Company, San Francisco, to Emil Brisacher and Staff; Crescent Manufacturing Company, Seattle, to Erwin Wasey & Company, Inc.; P. R. Mallory & Company, Inc., Indianapolis, to Aitken-Kynett Company; Norwich Pharmacal Company, Unguentine, Amolin and other Pharmaceutical specialties, to Lawrence C. Gumbinner Agency; Smith & Wesson, Inc., Springfield, Massachusetts, to United Advertising Agency. . . . Among account changes: Irving Bromiley, vice-president, Outdoor Advertising, Inc., and Donald G. Ross, vice-president, General Outdoor Advertising Company, Inc., resigned from their respective companies on March 3, to set themselves up in an independent business. Bromiley-Ross, Inc., will place the outdoor advertising of the American Tobacco Company. They are to be found at One Park Avenue, New York City. Mr. Bromiley, president of the new company, was the author of such famous and far-flung outdoor campaigns as those of U. S. Tire, Blackstone Cigars, Clicquot Club Ginger Ale, Dairylea Milk, Lucky Strike, Cremo, etc. Mr. Ross, vice-president, is known as the dean of the outdoor advertising industry.

* * *

Personnel changes: American Bankers Association Journal announces following staff changes: F. N. Shepherd, executive manager of American Bankers Association, is editor and publisher; W. R. Kuhns, associate editor; L. E. Lascelle, business manager; Alden B. Baxter, advertising manager. . . . Henri Hurst and McDonald, Chicago advertising agency, re-elected all officers and added three executives to the board of directors: St. Clair Carver, copy chief, J. L. Lambin and A. M. Semones, vice presidents. . . . Chester F. McSpadden joins the Joseph Katz Company. . . . Paul Wing joins Benton & Bowles.

* * *

Frank H. Fayant has been elected chairman of the board of the H. E. Lesan Advertising Agency. Mr. Fayant has been one of the senior vice-presidents of Lord & Thomas and Logan since 1926, when Thomas F. Logan, Inc., of which he was one of the founders, merged with that firm.

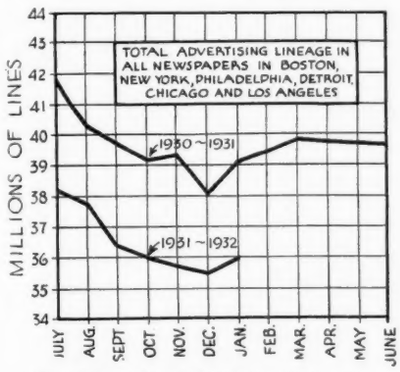
* * *

Miscellany: Pratt & Flores, advertising agents, have moved to 71 West 35th Street, New York City. . . . George C. Sherman has joined Reimers & Whitehill, Inc., to be known in future as Reimers, Whitehill & Sherman, Inc. . . . *Drug Topics* has moved uptown to the McGraw-Hill Building, New York City.

# Newspaper Automotive Lineage Gains Second Consecutive Month

Last month we pointed out that the December gain in automotive advertising in newspapers represented the first important gain in any classification of newspaper advertising since October, 1929. This gain was continued in January, and there may be a direct relationship between that fact and the record-breaking attendance at automobile shows in nearly every city, and the increases in retail sales reported at these shows.

This was the only classification to show a gain during January. The total lineage in the eighty-three cities surveyed each month by SALES MANAGEMENT fell off 11.5 per cent from last year. General advertising, representing the activity of manufac-




**Six Months' Moving Average**

turers other than automotive, declined 11.3 per cent, and retail advertising was off 13.7 per cent. One hundred and three papers showed a gain, out of the 346 surveyed, but this is accounted for by the fact that the five Sundays this month boosted the Sunday lineage over last year's four-issue month. Ten cities, including New Orleans, Washington, D. C., Phoenix, Arizona, and most of the cities making up the Westchester group, show a gain.

The six months' moving average of lineage in the six largest cities in the country shows a slight seasonal upturn, similar in direction but with lower velocity than the upturn in January last year.

Lineage figures which follow were compiled by Media Records, Incorporated, supplemented in designated cities by publishers cooperating with SALES MANAGEMENT.

| CITY— | 1932 | 1931 | P. C. CHANGE |
|---|---|---|---|
| Akron | 1,379,310 | 1,880,606 | —26.6 |
| Albany | 1,657,194 | 1,987,319 | —16.6 |
| Albuquerque | 652,561 | 703,013 | — 7.2 |
| Atlanta | 1,783,535 | 1,950,146 | — 8.5 |
| Atlantic City | 541,973 | 626,545 | —13.6 |
| Baltimore | 2,990,000 | 3,122,570 | — 4.2 |
| Birmingham | 1,336,728 | 1,705,994 | —21.7 |
| Boston | 5,262,621 | 5,632,644 | — 6.8 |
| Buffalo | 2,059,670 | 2,114,861 | — 2.6 |
| Camden | 546,560 | 689,430 | —21.0 |
| Chicago | 4,394,992 | 5,304,190 | —17.1 |
| Cincinnati | 2,371,814 | 2,714,637 | —12.6 |
| Cleveland | 2,374,399 | 2,812,783 | —15.6 |
| Columbus | 2,081,138 | 2,406,488 | —13.5 |
| Dallas | 2,077,811 | 2,659,332 | —21.8 |
| Dayton | 1,779,633 | 2,013,656 | —11.6 |
| Denver | 1,408,497 | 1,499,102 | — 6.4 |
| Detroit | 2,959,437 | 3,455,008 | —14.0 |
| Easton | 566,538 | 674,530 | —16.1 |
| El Paso | 782,245 | 822,676 | — 4.9 |
| Erie | 885,934 | 1,072,767 | —17.4 |
| Evansville | 1,211,485 | 1,463,368 | —17.2 |
| Fall River | 403,908 | 446,749 | — 9.7 |
| Ft. Worth | 1,068,056 | 1,362,437 | —21.6 |
| Freeport-Hempst'd. | 577,732 | 563,269 | + 2.5 |
| Glens Falls | 385,140 | 359,777 | + 7.2 |
| Harrisburg | 824,368 | 919,434 | —10.4 |
| Hartford | 1,841,912 | 2,136,500 | —13.7 |
| Houston | 1,821,747 | 2,419,904 | —24.8 |
| Indianapolis | 1,634,889 | 2,238,869 | —27.0 |
| Jacksonville | 957,781 | 1,108,607 | —13.6 |
| *Kansas City | 2,237,274 | 2,329,436 | — 3.9 |
| Knoxville | 886,801 | 1,017,250 | —12.9 |
| Los Angeles | 4,115,735 | 4,625,793 | —11.0 |
| Mamaroneck | 150,780 | 139,862 | + 8.4 |
| Manchester | 364,181 | 367,701 | — .9 |
| Memphis | 1,467,534 | 1,646,973 | —10.9 |
| Milwaukee | 2,198,348 | 2,490,406 | —11.7 |
| Minneapolis | 2,331,836 | 2,584,801 | — 9.8 |
| Mt. Vernon | 564,146 | 552,276 | + 2.1 |
| Nashville | 897,064 | 954,156 | — 6.0 |
| **Newark | 1,224,576 | 1,323,505 | — 7.5 |
| New Bedford | 775,094 | 690,456 | +12.2 |
| New Orleans | 2,658,742 | 2,641,151 | + .7 |
| New Rochelle | 411,346 | 519,091 | —20.9 |
| ‡New York | 11,387,509 | 11,867,023 | — 4.0 |
| Niagara Falls | 546,551 | 620,186 | —11.8 |
| Oakland | 1,538,810 | 1,882,333 | —18.2 |
| Oklahoma City | 1,378,751 | 1,694,389 | —18.6 |
| Omaha | 1,467,553 | 1,566,139 | — 6.3 |
| Ossining | 158,810 | 169,795 | — 6.8 |
| Peoria | 1,697,279 | 2,042,104 | —16.9 |
| Perth Amboy | 322,458 | 439,441 | —27.1 |
| Philadelphia | 4,909,316 | 5,379,749 | — 9.6 |
| Phoenix | 1,125,204 | 1,122,739 | + 2.2 |
| Pittsburgh | 2,869,964 | 3,241,036 | —11.4 |
| Port Chester | 417,817 | 407,316 | + 2.6 |
| Portland | 1,635,401 | 1,807,581 | — 9.5 |
| Providence | 1,849,430 | 2,035,734 | — 9.1 |
| Reading | 1,138,252 | 1,366,724 | —16.8 |
| Richmond | 1,263,434 | 1,433,125 | —11.8 |
| Rochester | 2,376,641 | 2,594,947 | — 8.4 |
| Salt Lake | 1,317,000 | 1,514,844 | —13.2 |
| San Antonio | 1,730,880 | 2,135,157 | —18.9 |
| San Diego | 2,066,862 | 2,350,850 | —12.0 |
| San Francisco | 3,168,195 | 3,296,402 | — 3.8 |
| Seattle | 1,962,643 | 2,282,890 | —14.0 |
| South Bend | 1,087,527 | 1,364,099 | —20.3 |
| Spokane | 1,265,740 | 1,421,865 | —10.9 |
| St. Louis | 2,553,984 | 2,882,401 | —11.4 |
| Syracuse | 1,718,929 | 1,987,267 | —13.5 |
| Tacoma | 1,123,111 | 1,415,253 | —20.7 |
| Tarrytown | 246.008 | 280,524 | —12.3 |
| Toledo | 1,475,268 | 1,776,182 | —17.0 |
| Trenton | 623,348 | 727,525 | —14.4 |
| Tulsa | 1,111,275 | 1,474,375 | —24.7 |
| Washington | 3,587,735 | 3,463,960 | + 3.5 |
| White Plains | 758,325 | 854,849 | —11.3 |
| Wichita | 1,367,872 | 1,778,661 | —23.2 |
| Wilkes Barre | 1,999,816 | 2,342,685 | —14.6 |
| Worcester | 1,594,237 | 1,792,120 | —11.0 |
| Yonkers | 691,736 | 682,547 | + 1.3 |
| Youngstown | 924,984 | 1,277,187 | —17.7 |
| GRAND TOTAL | 139,361,723 | 157,525,072 | —11.5 |

*Furnished by *Star*.
**Furnished by *Evening News*.
‡*Bronx Home News* furnished direct.

## Stewart-Warner Enters Refrigeration Market

CHICAGO—Stewart-Warner Speedometer Corporation is preparing to enter the electric refrigerator business. Plans have been completed, preliminary work done and production, it is learned, will be started early in April. A standard unit will be manufactured differing in no marked degree from boxes now on the market, according to reports.

An official announcement is expected in a few days, at which time, probably, the price range of the various units will be made public. Sales plans are also being formulated.

## Lumber Group Moves

WASHINGTON—Headquarters of the National Lumber Manufacturers' Association were moved this week to 1337 Connecticut Avenue, Northwest.



He *didn't* count sheep jumping a fence

NO SIR! The guest we have in mind had his own cure for insomnia! He asked us to furnish a thermos bottle full of hot milk, so that he could have it by his bed, in case he woke up at night, take a drink ...and then get to sleep again!

Thermos bottles and hot milk aren't part of the standard equipment of United Hotels... but we do have large, airy high-ceiling rooms, with a feeling of pleasant freedom... and the beds...well, if you've ever slept in one of our hotels you know how good they are! So there's very rarely occasion for insomnia at any of the 21 United Hotels listed below.

*Extra service at these* 21

**UNITED HOTELS**

NEW YORK CITY'S *only United*..The Roosevelt
PHILADELPHIA, PA. ...The Benjamin Franklin
SEATTLE, WASH.....The Olympic
WORCESTER, MASS.....The Bancroft
NEWARK, N. J.....The Robert Treat
PATERSON, N. J.....The Alexander Hamilton
TRENTON, N. J.....The Stacy-Trent
HARRISBURG, PA.....The Penn-Harris
ALBANY, N. Y.....The Ten Eyck
SYRACUSE, N. Y..... The Onondaga
ROCHESTER, N. Y.....The Seneca
NIAGARA FALLS, N. Y.....The Niagara
ERIE, PA.....The Lawrence
AKRON, OHIO.....The Portage
FLINT, MICH.....The Durant
KANSAS CITY, MO.....The President
TUCSON, ARIZ.....El Conquistador
SHREVEPORT, LA. ....The Washington-Youree
TORONTO, ONT.....The King Edward
NIAGARA FALLS, ONT.....The Clifton
WINDSOR, ONT.....The Prince Edward

UNITED HOTELS

# January Window Displays in Forty-four Cities

Check marks (√) in city columns indicate the manufacturers whose displays appeared in sufficient numbers and with sufficient dominance to register appreciably with consumers. The list is selective, representing the most active accounts.

| | Atlanta | Baltimore | Birmingham | Boston | Buffalo | Charlotte, N. C. | Chicago | Cincinnati | Cleveland | Columbus | Denver | Des Moines | Detroit | Houston | Huntington, W. Va. | Indianapolis | Jacksonville, Fla. | Kansas City | Little Rock | Los Angeles | Louisville | Memphis | Miami | Milwaukee | Minneapolis | Nashville | Newark | New Haven | New Orleans | New York | Oklahoma City | Philadelphia | Pittsburgh | Portland, Ore. | Providence | Richmond, Va. | St. Louis | St. Paul | Salt Lake City | San Francisco | Seattle | Spokane | Toledo | Washington, D.C. | TOTALS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **DRUGS** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ambrosia | √ | | | √ | √ | | | | | | √ | | | | √ | | | √ | | √ | √ | √ | | √ | | √ | √ | | | | √ | | √ | √ | √ | | | | | | | | √ | 18 |
| Armand Products | | | | | | | √ | | | | | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | | 5 |
| Bauer & Black | | | | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | √ | | | 4 |
| Bayer's Aspirin | √ | | √ | | | √ | √ | √ | √ | √ | √ | √ | √ | | √ | √ | √ | √ | | | √ | √ | √ | √ | √ | | | | | √ | | | | | | | | | | | √ | | | 29 |
| Boyer Products | | | | | | | | | | √ | √ | | | | | | | | | | √ | | | | | | | | | | √ | √ | √ | √ | | | | √ | √ | | √ | | | 3 |
| Bromo Seltzer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | 5 |
| Campana Italian Balm | | | | | √ | | √ | | √ | | | | √ | | | | | √ | | √ | | | | | | | | | | | | √ | | | | | | | √ | √ | √ | | | | 11 |
| Colgate's Products | √ | | √ | | √ | | √ | | | | | √ | | | | | | | | √ | | | | √ | √ | | | | | | | | √ | | | | | √ | | √ | | | | 13 |
| Coty's Products | | | | | | | | √ | | | | | √ | | | | | | | | √ | √ | | | | √ | | | | | | | √ | √ | | | | | | | | | | 7 |
| Creomulsion | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| Cutex | | | | | √ | | | √ | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| Dare Tonic, Virginia | √ | √ | | | | | | | | | √ | | | | √ | | √ | | | √ | √ | | √ | √ | √ | | √ | | | | | | √ | | | | | | | | | | | 12 |
| D'Orsay's Products | | | | | | | | √ | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| Eve. in Paris Products | √ | | | | | | | | | | √ | | | | | | | | | | | √ | | | | | √ | | | | | | | | | | | | | | | | | 4 |
| Ex-Lax | | | | √ | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | 4 |
| Feenamint | | | | | | | | √ | √ | | | | √ | | √ | | | | | √ | | | √ | √ | | | | | | | | | | | | | | | | | | | | | 7 |
| Hudnut Products, Richard | √ | | | | | √ | √ | | √ | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 9 |
| Iodent Toothpaste | | | | | | | | | | | | | √ | | | √ | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | 3 |
| Kleenex | √ | | √ | | √ | | √ | | | | | √ | | | √ | | √ | | | √ | | √ | | | | √ | √ | | | | | | | | | | | | | | | | | 11 |
| Kotex | √ | | √ | | √ | | √ | | | | | √ | | | | | √ | | | √ | √ | | | | √ | | | | | | | | | | | | | | | | | | | 11 |
| Lanteen | | | | | | | | √ | | | | | √ | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | 3 |
| Lavoris | | | | √ | √ | | | | √ | √ | | | | √ | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | 10 |
| Lifebuoy Soap | √ | | √ | | | | | | | | | √ | | √ | | | | √ | | | √ | | | | | | √ | | | | | | | | | | | | | | | | | 7 |
| Lux | | √ | √ | | | | | | | | √ | √ | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 7 |
| Mentholatum | | | √ | | √ | | | √ | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 7 |
| Mercirex | | | | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 7 |
| Mistol | | | | | √ | | √ | | √ | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 15 |
| Nivea Cream | | | | | | | √ | | | | | | | | | | | | | | | | | √ | √ | | | | | | | | | | | | | | | | | | | 5 |
| Ovaltine | √ | √ | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 9 |
| Ozo-Mist | | | | √ | | | | | | | √ | | √ | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | 3 |
| Padre's Elixir Wine Tonic | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| Palmolive Products | √ | | √ | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| Pertussin | √ | √ | | √ | √ | | √ | | | √ | √ | | √ | | | | | √ | | √ | √ | | | | | | | | | | | | | | | | | | | | | | 5 |
| Plough's Products | | | √ | | | | | | | √ | √ | | √ | | | | | √ | | | √ | | √ | √ | | | √ | √ | √ | | √ | √ | √ | | √ | √ | √ | √ | √ | √ | | √ | | 25 |
| Pluto Water | √ | | | | | | √ | | | | | | | | | | | | √ | | | √ | | | | | | | | | | | | | | | | | | | | | 6 |
| Rem | | √ | | √ | √ | | √ | √ | √ | √ | | | | | | | | | | | | √ | | | | | | √ | √ | | | | | | | | | | | | | | | 6 |
| Dr. Scholl's Foot Remedies | | | | | | | √ | | | | | | √ | | √ | √ | | √ | | | √ | | | | √ | √ | √ | √ | | | √ | √ | √ | √ | √ | √ | √ | | √ | | √ | √ | | 23 |
| Smith Bros. Cough Drops | | √ | | | √ | | √ | √ | √ | √ | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | 5 |
| Squibb Products | √ | √ | √ | √ | √ | √ | √ | √ | √ | | √ | √ | √ | | √ | | √ | | √ | √ | | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | | | | | | | | | | 21 |
| Vaseline Hair Tonic | √ | | √ | | | | | | | | √ | √ | √ | | | √ | | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | | | | √ | √ | √ | √ | | 31 |
| Vapex | | | | √ | | | √ | | √ | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | √ | | | | | | 4 |
| Vinco Herb Tablets | | | | | | | | √ | | | | | √ | | | | | | | √ | | | | | | | | | | | | | | | | | | | | √ | √ | | | | 10 |
| Dr. West Products | √ | | | | | | √ | | | | | | √ | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| White's Cod Liver Oil | | | | √ | √ | | | √ | √ | √ | √ | | | | √ | | | √ | | | | | √ | | √ | | | | | | | | | | | | | | | | | | | 4 |
| **TOBACCO** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Camel | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 10 |
| Chesterfield | √ | | √ | | | | √ | | | √ | | √ | | √ | | | √ | | | | | | √ | | | √ | | | | | | | | | | | | √ | | | | | | | 6 |
| Clown | | | | | | | | | | | √ | | √ | | | | | √ | | | √ | | √ | √ | √ | √ | | | | √ | | | | | | | | | | | | | | 19 |
| Cremo Cigars | | | | | | | √ | | | | | √ | | √ | | | √ | | | | | | √ | | | | | | | | | | | | | | | | √ | √ | | | | | 3 |
| Edgeworth Tobacco | | | √ | | | | | | | | √ | | | | | √ | | | √ | | √ | √ | | | | | | | | | | | √ | | √ | | | | | | | | | 13 |
| Granger Tobacco | √ | √ | √ | √ | √ | √ | | | | √ | √ | | | √ | √ | | √ | | | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | 5 |
| Habenelo Cigars | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 32 |
| Lucky Strike | √ | √ | √ | √ | √ | √ | | √ | √ | √ | | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | 3 |
| Luxury Tobacco | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 40 |
| Old Gold | | | | √ | | | | √ | | | √ | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| Optimo Cigars | | | | | √ | | √ | √ | | | | | | | | | | | √ | | | | √ | √ | √ | | | | | √ | √ | √ | √ | √ | | √ | √ | √ | √ | √ | √ | | | 17 |
| Spud | | | √ | | √ | | | √ | | | | | | | | | | | | | | | | √ | √ | | | | | | | √ | | | | | | | | | | | | 4 |
| **CANDY, BEVERAGES** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Anheuser Busch Beverages | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| Canada Dry | | | √ | | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | 4 |
| Coca-Cola | | √ | | √ | √ | | | √ | √ | | √ | | √ | | √ | √ | | | | | | | √ | √ | | | √ | √ | | √ | | | | | | | | | | | | | 22 |
| Ranier's Lime Rickey | | | | √ | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| Vernor's Ginger Ale | | | | | | | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | | 3 |
| **GROCERIES** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Blue Ribbon Malt | | | | | | √ | | | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | 3 |
| Bond Bread | | | | | | | | √ | √ | | | | | | | | | √ | | | | | | | | √ | | | | | | | | | | | | √ | | | | | | 3 |
| Del Monte Products | | | | | | | √ | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 5 |
| Frost Sugar, Jack | | | | | √ | | | | √ | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| M. J. B. Coffee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 |
| Pet Milk | | | | | | √ | | √ | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | 5 |
| **MISCELLANEOUS** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gem Razors and Blades | | | | | | | √ | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 5 |
| Mazda Lamps | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | √ | √ | | | | | | | | | | | | 4 |
| Schick's Razors and Blades | | | √ | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | | √ | | | | | | | | | 3 |
| Segal Razors and Blades | | √ | | | | √ | | | | | | | | | | | | | | √ | | | | | | | | | | | | | | | | | | | | | | | | | 6 |
| | 19 | 11 | 18 | 17 | 24 | 6 | 24 | 20 | 19 | 15 | 20 | 14 | 19 | 9 | 4 | 13 | 8 | 14 | 6 | 20 | 15 | 12 | 14 | 19 | 18 | 9 | 17 | 18 | 6 | 9 | 12 | 21 | 19 | 21 | 6 | 8 | 14 | 18 | 9 | 19 | 13 | 13 | 8 | 7 | 625 |




*These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.*
*Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.*

## Profitable Pricing

*The Lunatic Fringe Memo.* Cramer-Krasselt recently questionnaired 10,000 companies of highest ratings, "Do you believe that business should ever be taken below normal cost?" The 800 replies received were analyzed by the National Association of Cost Accountants, who found that 23 per cent of them confessed to being willing to do business on a loss basis. The investigation covered the textile, food, automobile accessory, heating and plumbing, builders' supply, hardware, drug, machinery and mill supply, construction, furniture and home appliance industries. After describing a few contingencies in which the practice of depressed pricing might be justifiable, the discussion proceeds to the destructive character and influence of the following types of price vices: bootlegging, underbidding, sales sabotage, distributive subsidies, confidential discounts, excessive discounts and extra allowances.
Depressed pricing has been traced to the following causes:
(1) Failure of management to become informed of (or sympathetic towards) modern merchandising methods.
(2) Ignorance of costs and lack of budgetary control.
(3) Desire to trade destructively on established good-will.
(4) Willingness to make price concessions in the effort to survive.
(5) Desire to buy into certain markets, territories or distributive outlets in which competition is strongly entrenched.
(6) Lack of sales protection resulting from inadequate advertising, sales promotion, sales operation.
(7) Fear of temporary effects in adopting firm policies against competitive concessions.
(8) Defensive distributive position caused by lack of proper contact, training, cooperation and support.
(9) Tendency to follow competition rather than to strike out toward fulfillment of public needs.
Distribution limited to executives of manufacturers.

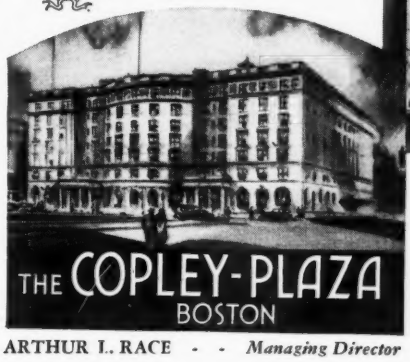
## Shipping Containers

Those of our subscribers who are interested in giving their shipping containers real advertising value, and an appearance comparable to the inner package, will be interested in a descriptive catalog issued by Connell & Dengler on printing machinery for fibre board, corrugated paper and wood. Connell & Dengler report that their customers (makers of shipping containers) report unusual interest on the part of sales managers in better printing on containers. This loose-leaf catalog, while technical in character, may give you valuable ideas on a frequently overlooked by-product form of advertising.





HENRY A. ROST
*President*




ARTHUR I. RACE - - *Managing Director*

# HOTELS of DISTINCTION
OF NEW YORK *and* BOSTON

FRED STERRY
*President*

JOHN D. OWEN
*Manager*




● The Plaza and The Savoy-Plaza are on upper Fifth Ave., at the entrance to Central Park. Single rooms; bath; $6.00 up. Double rooms; bath; $8.00 up.

The Copley-Plaza is in the fashionable Back Bay section, convenient to everything, Boston's finest hostelry; rates $4.00 up.

*Reservations for the National Hotel of Cuba may be made at these hotels.*

# Two Cents Each . . . but Not for Long

. . . because there are only a few left of each of the following page reprints from SALES MANAGEMENT:

"The Golden Hour of Selling"
"The Greatest Sport in the World"
"They Called Him 'The Butcher' "
"Jobs"
"Just How Dumb Was J. C. Penny?"
"It's the Next Shot That Counts"
"Till the Untilled Places"
"There's Money in Doorbells"
"We Need More Second- and Third-Wind Men"

These are all pithy, pointed messages designed for mailings to salesmen.

. . . here's an opportunity to purchase the popular series from SALES MANAGEMENT, reprinted in booklet form:

"TIP-TOP SALESMEN I HAVE MET"
by Ray Comyns

Single copies 25 cents; in quantities of 50 or more at 20 cents a copy.

Please forward your remittance to

SALES MANAGEMENT
420 Lexington Avenue, New York




+ + + DURING THE FIRST HALF OF FEBRUARY building construction awards made a daily average gain of $2,000,000, as compared with the last week in January. The current rate is one-third larger than the daily average rate for January, and twice as large as the usual seasonal rate of increase for February.

+ + + BARRING AN INFINITESIMAL DECLINE LAST SATURDAY, the average of high-grade corporation bonds listed on the stock exchange has registered a gain for thirteen consecutive days, up to February 29.

+ + + THE HENRY FORD SCHEDULE of 1,800,000 motor vehicles will insure the direct employment of 100,000 workers in Ford plants, and a volume of $300,000,000 in business to manufacturers making Ford parts.

+ + + THE IRVING FISHER INDEX of Business Conditions jumped to 65.8 last week, as compared with 62.5 the previous week. The All-Commodity Index of Wholesale Prices remained unchanged at 63.7.

+ + + THE KANSAS CITY AUTOMOBILE SHOW resulted in a sales increase of 35 per cent over last year's show.

+ + + SALES OF NEW AUTOMOBILES AT RETAIL in Chicago during January gained 22.9 per cent above December in number.

+ + + ONE OF THE LARGEST ELECTRIC RANGE ORDERS IN YEARS was secured by Westinghouse last week from the Alabama, Georgia and Tennessee subsidiaries of the Commonwealth and Southern Power Company.

+ + + THE CANDY AND RESTAURANT CHAIN OF LOFT, INC., which has been advertising aggressively in New York City papers, showed a net operating profit of $366,708 last year, as compared with a loss of $84,142 in 1930.

+ + + THE CHICAGO PLANT OF THE PULLMAN CAR & MANUFACTURING COMPANY has recalled 400 employes to work on air-conditioning installation orders by a number of railroads.

+ + + SALES OF CANADAY FRIGIDAIRE WATER COOLERS for January were 302 per cent above the January, 1931, figures, and February sales increased 256 per cent over last year. These coolers are used in offices.

+ + + QUOTATIONS ON HEAVY MILLING SCRAP have increased 50 cents or more a ton in the Pittsburgh and Youngstown districts . . . more than 100 workmen of the American Vitrified Products Company, near Youngstown, have been called back to work.

+ + + SHIPMENTS OF PLYMOUTH CARS to dealers for the first six weeks of the year show an increase of 155 per cent over the same period a year ago, and retail deliveries in the same period were up 102 per cent.

+ + + AUTOMOBILE PRODUCTION IN FEBRUARY showed a gain of approximately 11 per cent over January. . . . This improvement is confirmed in the business of the Detroit Edison Company, which since the beginning of the year has been running ahead of the normal seasonal trend.

+ + + BRADSTREET'S weekly Food Index rose 0.6 per cent last week, as compared with a normal seasonal rise at this time of 0.1 per cent—making the week's increase, although slight, greater than was expected.

+ + + THE UNITED ACTION DRIVE to secure jobs for wage earners heretofore unemployed, in the first two weeks secured 117,535 jobs in 153 communities, with Michigan, Wisconsin and New York leading the states in that order.

+ + + LAST WEEK ONLY EIGHT BANKS CLOSED and six were reopened. The Reconstruction Finance Corporation and the Glass Steagall bill seem to have stemmed the tide of failures.

+ + + IN BIRMINGHAM, ALABAMA, the Woodward Iron Company put 2,000 men back to work this week.

+ + + AGRICULTURAL INCOME for the state of Arkansas in 1931 showed a 22 per cent increase over 1930, as compared with a decrease of approximately 30 per cent for the United States as a whole.

+ + + UNIT SALES OF OUTDOOR GIRL BEAUTY PRODUCTS, division of Crystal Chemical Company, Inc., jumped from 4,000,000 in 1930 to 15,000,000 in 1931. This increase was accomplished with an advertising expenditure of only 100 per cent over the preceding year.


**I'll tackle your toughest sales problem on *my* time!**

I've been very successful with every selling problem I've handled. Partly luck, but mostly common sense and plenty of hard personal selling. Accustomed to hard jobs—especially new products in new fields on limited budgets.

Prolific in *practical* new ideas and methods. Appreciative of necessity for cutting sales expense and getting immediate results. Natural sales instinct. Practical marketing knowledge. Well traveled.

Four years in present connection, but salary cuts make a change desirable. Age 31, married, college education, American born. A five-minute talk will prove my case. Box 336, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.


## Personal Service and Supplies

**Classified Rates: 50c a line of seven words; minimum $3.00. No display**
**Cash Basis Only. Remittance Must Accompany Order**

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between $2,500 and $25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

### EXPORT LINES WANTED

EXPORT—WELL ESTABLISHED ORGANIZATION representing several nationally known American manufacturers and actively working foreign markets, will handle the export of one or two additional non-competitive lines. Exceptional proposition. Highest banking and commercial references. Address Box 332, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### MAILING LISTS

10,000 NAMES OF SALES MANAGERS OF Leading Firms—Compiled by States. Very Accurate. Two cents refunded on each "comeback". Price $10.00 per thousand in excess of 3,000 names. Fewer names—$15.00 per thousand.

14,000 Names of Purchasing Agents of Industrial Concerns. Compiled by States. Accuracy Guarantee of two cents on each refund applies. Same price as above.

Write us your list requirements.
RESULTS ADVERTISING CO.,
MAILING LIST COMPILERS
709 Pine St., - ST. LOUIS, MO.

### LINES WANTED

PACIFIC NORTHWEST DISTRIBUTION, COVerage, sales available. Are you getting your share? Successful sales and buying executive with many years' experience now able to handle line for reliable organization. Married, references as to ability, character, etc. Can devote time to travel in order to get coverage, distribution and INCREASE SALES. Please address Box 330, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### POSITION WANTED

SALES AND ADVERTISING EXECUTIVE available—Age: 33; A.B., M.A. degrees; formerly account executive with one of largest New York advertising agencies, well-rounded knowledge of drug and cosmetic business—can travel if necessary, desires position in sales or advertising department of manufacturer. Please address Box 334, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

YOUNG COLLEGE GRADUATE (SCHOOL of Business Administration), age 25, single, sales experience, desires connection with progressive manufacturer as salesman. References as to character, ability and initiative available. Locate anywhere. Please address Box 335, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### SALES PROMOTION

$50 to $50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at $60. His first purchase $12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to $100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.


"GIBBONS knows CANADA"